

***Sport Fish Advisory
Commission Meeting***

***Tuesday,
July 17, 2012***

Held at the
Maryland Department of Natural Resources
Tawes State Office Building
Annapolis, Maryland

***Maryland DNR
Sport Fish Advisory Commission Meeting***

July 17, 2012

SFAC Members Present:

Jim Gracie, Chair

Bill Goldsborough

Greg Jetton

Val Lynch

Dr. Ray P. Morgan II

Ed O'Brien

David Sikorski

David Smith

Herb Smith

Carol Stevenson

Roger Trageser

Bill Windley

James Wommack

SFAC Members Absent:

Larry Coburn

Brandon White

Maryland DNR Fisheries Service

Marty Gary

Tom O'Connell

**Maryland DNR
Sport Fish Advisory Commission Meeting**

July 17, 2012

INDEX

	<u>Page</u>
<i>Welcome and Announcements</i>	
by Marty Gary MD DNR Fisheries Service	6
<i>NRP Report</i>	
by Lt. Powell and Randy Charron MD DNR NRP	7
<i>Questions and Answers</i>	
by Carol Stevenson	8
by James "Mac" Wommack	11
<i>Regulatory Update</i>	
by Sarah Widman MD DNR Fisheries Service	12
<i>Inland Fisheries Update</i>	
by Don Cosden MD DNR Fisheries Service	15
<i>Questions and Answers</i>	
by Carol Stevenson	21
by Ed O'Brien	22
<i>Maryland Fishing Challenge Species Addition Proposal</i>	
by Marty Gary MD DNR Fisheries Service	24
<i>Questions and Answers</i>	
by Tom O'Connell	30
by David Smith	31
by Val Lynch	33
<i>Fisheries Service Budget; Desired Outcome</i>	
by Tom O'Connell MD DNR Fisheries Service	36

**Maryland DNR
Sport Fish Advisory Commission Meeting**

July 17, 2012

INDEX (continued)

Fisheries Service Budget; Desired Outcome (Continued)

	<u>Page</u>
<i>Questions and Answers</i>	
by Val Lynch and Gina Hunt	53
by Carol Stevenson	56
by David Smith	57
by Herb Smith	59
 <i>Solicit the Advice and Opinions from the SFAC on FY13 and FY14 Expenditures of Sport Fish License Revenues; Desired Outcome</i>	
by Tom O'Connell MD DNR Fisheries Service	61
 <i>Questions and Answers</i>	
by Carol Stevenson	61
by David Smith	66
by Carol Stevenson	68
 <i>Fisheries Service Analysis and Next Steps in Response to SB 1372; Desired Outcome</i>	
by Tom O'Connell MD DNR Fisheries Service	71
 <i>Questions and Answers</i>	
by Greg Jetton	87
by Ed O'Brien	88
by David Smith	89
by Greg Jetton	90
by Carol Stevenson	91
by Frank Dawson	92
by Ed O'Brien	94

**Maryland DNR
Sport Fish Advisory Commission Meeting**

July 17, 2012

INDEX (continued)

	<u>Page</u>
<i>Atlantic States Marine Fisheries Commission Summer Meeting Preview</i>	
by Lynn Fegley MD DNR Fisheries Service	95
<i>Questions and Answers</i>	
by Bill Windley	98
by Bill Goldsborough	99
by Bill Windley	102
by Ed O'Brien	103
by Bill Goldsborough	103
<i>Atlantic States Marine Fisheries Commission Summer Meeting Preview (Continued)</i>	
by Tom O'Connell MD DNR Fisheries Service	105
<i>Pound Net White Paper</i>	
by Mike Luisi MD DNR Fisheries Service	108
<i>Questions and Answers</i>	
by Jim Gracie	113
by James "Mac" Wommack	118
by David Smith	120
by Lynn Fegley	121
by Bill Windley	122
by David Smith, Ed O'Brien and Greg Jetton	123
by Bill Goldsborough	128
by David Smith	129
by David Sikorski, Mike Luisi and Greg Jetton	130
by Greg Jetton	138
by James "Mac" Wommack	140
by Lynn Fegley	141

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A F T E R N O O N S E S S I O N

(3:03 p.m.)

Welcome and Announcements

MR. GRAY: I would like to call the meeting to order.

MR. GRACIE: Marty, do you have any announcements?

MR. GARY: Just the usual announcements, Mr. Chairman. For those of you in attendance for the summer Sport Fish Advisory Commission Meeting, please silence your cellphones. Lisa, from Audio Associates, is our court recorder today and we do not want to interfere with anything she is recording.

Also, just a matter of protocol, I think most of the folks in the room understand but the Chairman will be moderating the meeting. I will be assisting him. For Lisa and her ability to properly record this to produce a verbatim transcript that will be posted on our website, we would like you to be acknowledged first by the Chairman before you speak. That is the commissioners.

There are two opportunities for public comment, one is before the Commission votes after a motion is made and then during the public comment period at the end of the meeting. We have one commissioner who is not going to be in physical attendance today, Brandon White. We had hoped to maybe patch him in via speakerphone. That may or may not happen. I put a

message into him.

Other than that, everyone is attendance,
Mr. Chairman, and --- is yours.

MR. GRACIE: Thank you. We have an NRP Report.

MR. : It has been passed out?

MR. GARY: Yes, it has been passed out. Randy?

MR. CHARRON: Yes?

MR. GARY: Randy, if you do not mind, just since you are new to this, we have a speaker at the far end of the room so you can be recorded. Do you mind going over and taking a seat there? Randy, if you could identify yourself.

NRP Report

by Lt. Powell and Randy Charron, MD DNR NRP

MR. CHARRON: All right. Randy Charron with the Natural Resources Police. I work Anne Arundel County. I haven't had a chance to review the report. Does anybody have any questions on it?

(Laughter.)

MR. GRACIE: No. We have not had a chance either. We just saw it for the first time this minute so we are all in the same boat. Help us out.

MR. GARY: Randy, just so everybody knows. There was a report -- a preliminary report that was sent out two weeks ago. This is an updated one that Beth Mauck provided. There's some additional information in it and they are seeing

that part of it for the first time. Okay.

MS. STEVENSON: Chairman Gracie? When you have a moment, I have a question.

MR. GRACIE: On an NRP Report?

MS. STEVENSON: Yes.

MR. GRACIE: Okay.

MS. STEVENSON: Thank you.

MR. GRACIE: Are you going to summarize for us or what do you want to do?

MR. CHARRON: Do you want me to read the whole thing?

MR. GRACIE: Nope.

(Laughter.)

MR. CHARRON: It looks like they are --

MR. GRACIE: We had some questions. Do you want to take some questions?

MR. CHARRON: Sure.

MR. GRACIE: Carol? Yes, ma'am.

Questions and Answers

MS. STEVENSON: Yes. I would like to ask some questions about the situation on the Gun Powder River and the wild lands part of the park. Over the last three or four weekends, the commercial vendor who operates in that area has been discharging and picking up passengers in the park area, the wild lands area, and he has received several citations.

He does not care about the citations. He thinks those are just the cost of doing business and I do not see any of the activity referenced down here at all. I am very distressed about the situation.

I do not know which way to go forward and my first thought was to look at this report and find out, Lieutenant Powell, if they are going to be reflected on these reports.

MR. GRACIE: Tom, go ahead.

LT. POWELL: I will help out with that.

MR. GRACIE: That goes -- an open seat there it looks like.

MR. : Miss, come on over here.

LT. POWELL: This report reflects what we do as far as fishing goes. That is a park issue. The guy has been issued citations and we are working with our AG's office to rectify ---. That is all we can say about it currently the -- with a ---.

MS. STEVENSON: Will he be -- will he continue to be issued citations ad infinitum?

LT. POWELL: If he is caught, he will -- it will be documented that he is doing it.

MS. STEVENSON: Thank you, sir.

MR. O'CONNELL: If I can?

MR. GRACIE: Go ahead, Tom.

MR. O'CONNELL: Yes. I just, Carol -- I appreciate

your bringing the issue to the attention. It is a serious issue and all up to the secretary level is involved with the issue.

MS. STEVENSON: Uh-hm.

MR. O'CONNELL: I think it was last week that I participated in the meeting with top-level NRP officers, the secretary and my counterpart with Parks. We reviewed the situation. There is a lot of effort going on. We cannot provide details on the NRP's activities because it is pretty sensitive recognizing the ongoing work.

You know we also reviewed some of the penalties and the penalties do begin increasing over time. Some of the penalties initially are relatively small and can be looked at as the cost of doing business but they do increase and, you know, work to stay -- keep you apprised of the situation.

But I just want to reassure you that the Department has made it a top priority given the limited resources that we have to work on it. I know there have been some successful actions in the last week or so.

MS. STEVENSON: Thank you. May I ask one more question?

MR. GRACIE: Sure.

MS. STEVENSON: Can I --

MR. GRACIE: Speak up.

MS. STEVENSON: Does it still behoove us to continue

to call the Natural Resources Police over the weekend?
Because I know they are short staffed and I know they are
doing their very best but when there is a violation or
potential violation, how do we get them to respond?

MR. O'CONNELL: Would you suggest that?

LT. POWELL: Call the Communication Center to let us
know that it is going on and when we can up there, we will if
we are not busy with other stuff.

MR. O'CONNELL: Do not hesitate to contact me if you
are having some difficulty getting some reaction.

MS. STEVENSON: Thank you. Thank you.

MR. GRACIE: Any other questions? Mac?

MR. WOMMACK: Yes. I was looking here -- let me
deal with what my Somerset County says dealing with the crab
pots and sizes in a restricted area near Winona. You might
not know too much about that --- what you're talking about
since you're up here but let me ask you, can you make a note
of this to have something done about all the crab pots in the
parking lot there?

The recreational people don't have anywhere to park
their boats and trailers because they have all these crab pots
lined up against the parking -- all over the parking lot?

LT. POWELL: Yes. Who does the parking lot belong
to?

MR. WOMMACK: I would imagine that is a state

parking lot.

MR. GRACIE: I am not familiar with the area.

MR. CHARRON: Is this down at ---?

MR. WOMMACK: Yes.

MR. CHARRON: ---.

MR. WOMMACK: Exactly.

MR. CHARRON: Is it down where the patrol boats are
or is it away from that?

MR. WOMMACK: No. Right there in Winona. Right
there at Arby's right at the end right at the parking lot.

MR. GRACIE: Okay. I can pass on to the officer
--- and see if they are familiar.

MR. WOMMACK: Okay. That's -- yes, if you can just
make a note of it you know.

MR. GRACIE: Thank you.

MR. WOMMACK: Thank you.

MR. GRACIE: Any other questions?

(No response.)

MR. GRACIE: Thank you. Okay, is Sarah here?

MS. WIDMAN: Yes. Right here.

MR. GRACIE: Sarah Widman.

Regulatory Update

by Sarah Widman, MD DNR Fisheries Service

MS. WIDMAN: You guys have the normal slew stuff
from us. So the Regulatory Update, there is a slew of public

notices issued since our last meeting. Pretty much the normal stuff; aquaculture, the annual commercial female allotments. Some stuff -- the annual horseshoe crab modifications and some stuff for the striped bass hook and line season.

The regs that became effective since we last met, there's the Pilot Program reg, as well as the Regulation that we put in place through emergency for two parks; one in Lion's Park Pond in Allegany and Avalon Pond Park in Patapsco.

This was so that the park areas there can make them not just for 16 and under and 65 and over and blind, but they can also add in for disabled people because they are ADA accessible fishing areas, so those two are in place. The slew of stuff that we went over in your April meeting is in the process now.

I do not know if anyone has any specific questions about any of those proposed regulations but if you want to look them over as I talk and let me know if you have anything, I'd be happy to answer them.

(No response.)

MS. WIDMAN: You also have a second document from us. That is our Scoping document. Largely, this is just updates on stuff that we started scoping in April at your April meeting. Just giving you updates on kind of where everything is in the process. Some of the time periods for public feedback for scoping have been extended as we're

working through stuff. Really, the only new ones are on the back of that.

We talked briefly at your last meeting about Clam FMP and some of that's going to be included in the National Shellfish Sanitation Program Requirements for the FDA compliance. So we anticipate scoping that sometime in the fall so we'd be sending that draft along to you guys to look at.

Our annual commercial license target update will happen sometime in the fall. Recreational crabbing, we do anticipate having some changes for recreational crabbing for the 2013 crabbing season and staff is -- are working on those now. You will be getting emails about that before your meeting and we anticipate some open houses on that probably in October or sometime in the fall.

Then aquaculture, right now the Aquaculture Coordinating Council, we have been working with them on a couple of size -- out of commercial season size changes for them, as well as some fees for water --- and that stuff should be moving forward in the next few weeks as well.

MR. O'CONNELL: ---.

MR. GRACIE: Yes, Tom?

MR. O'CONNELL: Yes, just I wanted to add a little detail to the recreational crab and --- just mentioned rules but to provide you a little bit more detail. What we are

looking at doing is we are looking to simplify the rules for recreational crabbing, and also to put us in a better position to survey that sector of the fishery to improve the harvest estimates that we use for managing blue crabs.

So it has to simplify the management. If you go to our webpage and try to figure out the recreational crabbing rules, it is a very complex spreadsheet that you have to kind of digest. We are trying to streamline it and simplify it at the same time.

It will put us in a better position to survey them to estimate harvest, which has been a recommendation from the Chesapeake Stock Assessment Committee for blue crabs.

MR. GRACIE: Any questions?

(No response.)

MR. GRACIE: Any comments?

(No response.)

MR. GRACIE: Okay. Done Cosden here for Fish --

MR. COSDEN: Yes. Right here.

Inland Fisheries Update

by Don Cosden, MD DNR Fisheries Service

MR. COSDEN: Don Cosden with Inland Fisheries. Real quick. We had a recent question about whether Fisheries had implemented the large woody debris policy that we had developed a couple of years ago that we had started specific to the Gun Powder.

This question came to us after there was brush cleared from the river recently and a number of stakeholders were not aware. So I thought I'd circle back. We did come at the February meeting and told the Commission that we had finalized this policy.

We had distributed through all the units that have land management responsibly that might be in a situation to remove brush from a stream and we had acknowledgement from other units that we have this policy.

Basically the policy, it acknowledges the importance of woody debris and it stresses the fact that in situations where it must be removed for safety reasons, it should be minimized -- the loss of it should be minimized. So in the case of the Gun Powder, I'd just like to explain.

There was one particularly large snag that had caught a boat in the river and we were notified by the Park Service that they needed to go out and remove a portion of this to make it passable.

Our -- there was a -- the date was picked. Probably at the last minute, I think three days before they were planning on going out, that emails were sent out. Apparently, some of the folks did not get the emails and I think that was the problem. I'm not sure why.

We have the correct email addresses for these folks but it did not happen so we have -- I have instructed the

regional manager, next time when the emails go out follow up with a phone call to make sure everybody got those emails.

There was some dissatisfaction with the way the changes were made to that brush pile and I believe had everybody been on sight and had talked it over ahead of time, people would've at least known where it -- when it was going to end up because our regional manager felt like the Park Service did what they had discussed and pretty much stuck to that.

I just wanted to mention that we've also applied this policy in two other cases recently; one was on the Savage River where they have some white water events recently and they were cutting some brush and our regional manager went out with the Fire Service manager to discuss what was reasonable to remove in these situations.

Previously, I think it was done without any direction from anyone at DNR. So we would intend to be involved in that sort of thing on the Savage again. Then we also had a question from the manager of Seneca Creek State Park regarding some removal that they are going to do. So we were able to discuss that with the -- with that manager and so I think we're getting some traction on this policy.

Just real quick, I wanted to talk. We're getting into some issues again with this hot, dry summer of a -- some of our trout fisheries which are dependent on water releases,

specifically the Deep Creek Lake is below its lower rule band. They started -- some of the white water releases have been canceled and really, the only discretionary releases going on now are to keep the trout population healthy.

It is going to be a long summer and we are already getting letters from property owners who are upset that the lake level has dropped as much as it has, but right now there is no relief in sight and this is a battle it looks like we are going to fight during every drought summer.

In that same direction, we are working with Corps of Engineers to develop some potentially better policies on the North Branch of the Potomac to keep trout populations healthy there, as well.

In 2010, we had significant losses in the stretch between Westernport and Pinto and when we went back and looked at our continuous temperature loggers, it was obvious that we had some very high temperatures through that stretch. We had a recent North Branch Advisory meeting.

We had some discussions with the Corps about lowering the discharge temperature at the dam to help provide some relief downstream and they have actually been doing that for us through these recent hot spells.

We are taking a preliminary look at the temperature data there and it appears that we may not be getting much relief even though they've dropped the temperature

significantly at the discharge. What we saw in 2010, it appears may be related more to the discharge volume. The bottom line may be that volume is much more important than temperature. So we're continuing to work on that.

We have recently sent comments to the National Park Service on Dyke Marsh. I think I spoke to you folks about Dyke Marsh probably back in the fall sometime. It is a park on the Virginia side of the Tidal Potomac River and the National Park Service has plans to re-establish marsh that they have lost there.

They have a number of different scenarios. In our comments, we have said that we supported the idea of marsh restoration. However, scenario -- the first scenario would have removed the boat ramp facility at Bell Haven and we opposed that just recognizing that this is a very popular part of the Potomac River.

When bass tournaments are in this area on weekends, the boat ramp and parking facilities are at a premium. So regardless of which side of the river it is important to us to keep as much access as possible.

Several other scenarios would have preserved the boat ramp but filled in several large holes that are right in the vicinity of this marsh and these deeper holes are pretty unique in the Potomac. In this case, they are important for overwintering of a bunch of fish species; bass, crappie, perch

and other species use these areas.

So we are -- our comments were to preserve those areas and it's unclear what the timeframe is. The Park Service does intend to move forward on some kind of restoration probably in the next couple of years.

Finally, some of you fish the upper Potomac -- the non-tidal part of the Potomac, or know folks that do, may be hearing a little bit about some of the algae blooms that are going on.

We've been aware of this for a number of years now and in 2010, we had quite a bad year for algae there to the point that anglers and paddlers were calling telling us that they had bad experiences. They were not going back on the river.

In the last couple of weeks, we have started to see those conditions reoccur and they seem to be in the Brunswick area/Point of Rocks area. It may be associated with the Shenandoah.

We don't know but I wanted you folks to know that we are looking at all the historical data we can in looking at fisheries, trends, water quality trends and our intent is to pinpoint where these hotspots may be and then see where we can go from there to address it.

It doesn't appear at this time that it's impacting fish populations but if it's impacting the use of the river,

then that's of concern to us so -- and that's all I have.

MR. GRACIE: Thank you. Any questions?

Questions and Answers

MR. GRACIE: Carol, go ahead.

MS. STEVENSON: Don, who has responsibility for the woody debris policy enforcement outside the wild lands area? You go down to -- from Prettyboy to Big Falls?

MR. COSDEN: Uh-hm.

MS. STEVENSON: Now, who goes from Big Falls down? Is that the Gun Powder State Park Police or who would be enforcing that? There are some very large trees in the river that are obstructing anything in that area.

MR. COSDEN: We do not have any specific enforcement authority outside of DNR properties. MDE would be the likely one but their jurisdiction has more to do with permits for large, you know, in-stream disturbances and stuff like that. They have said in the past that they are not interested in removal of the small amounts of debris.

Now, if it is a large debris jam and it has the potential --

MS. STEVENSON: Yes, it is.

MR. COSDEN: -- to affect flow and possibly, you know, bank erosion and stuff like that, then MDE would be the agency that would have jurisdiction over that sort of thing. Obviously, we would be interested.

MS. STEVENSON: I would like to get to them before the canoe club comes in with a chainsaw, yes.

MR. COSDEN: Well, I would be willing to talk to you later about it.

MS. STEVENSON: Okay. Thank you.

MR. COSDEN: Okay.

MR. GRACIE: Thank you, Carol. Any other questions or comments? Ed?

MR. O'BRIEN: Snakeheads.

MR. COSDEN: Yes, sir.

MR. O'BRIEN: They appear to be migrating further towards the bay and again, all kinds of yack about it around the docks. People are thinking that maybe they -- as adaptive as they are supposedly on land, that they're going to be able to adapt the brackish water and maybe even to the bay. What do the biologists think about that?

MR. COSDEN: Well, I was actually going to talk a little bit about snakeheads. I decided to put that off until the next meeting but very quickly, I can say that snakeheads are -- do appear to be moving through these higher salinity areas.

We do not have any evidence that they are -- they can tolerate these salinities, that they can reproduce an established populations in these higher salinity areas but they are seeking out fresh water areas everywhere they find

them.

They are showing up in increasing numbers in the Patuxent River and in almost every case, they find some source for fresh water inflow. Originally, the first place we found them in the Patuxent was Middle Creek where the Lake Lariat comes out of the Chesapeake Ranch Club significant source of water and they went right to the base of that dam.

Now, they are up as far as Merkel Wildlife Management Area. So they're in an area there where they can establish population and besides the Patuxent, they pretty much spread across the entire lower eastern shore -- all those tidal rivers, as well.

Once again, not likely, we do not think to inhabit the bay proper below say the Middle River area because of salinities but they could potentially have an impact on --- in some of the areas that are used by perch and herring and stuff.

They definitely are colonizing these streams. Almost every stream in the Potomac drainage all the way to his mouth that has any kind of freshwater inflow.

MR. O'BRIEN: Well, I think people are -- don't have a whole lot of confidence that, you know -- that they can't spread further than that into --- and if that's -- if there has anything to that worry, it certainly should be identified and it just seems like a very adaptive specifiers.

MR. COSDEN: It certainly is and very -- it takes advantage of every -- every time we have had a high water event --

MR. O'BRIEN: Yes.

MR. COSDEN: -- it is followed up by new locations for snakeheads being identified. I will bring that map and we can discuss this a little further at our next meeting. I say right now, we're -- we have not seen evidence that they are going to do well in these high salinity areas but they will navigate these areas and they're establishing themselves around the bay and ---.

MR. GRACIE: Anything else?

(No response.)

MR. GRACIE: Any other questions or comments?

(No response.)

MR. GRACIE: Thank you, Don. Marty, do you want to talk about the Fishing Challenge?

MR. GARY: Yes. Thank you, Jim.

Maryland Fishing Challenge Species Addition Proposal

by Marty Gary, MD DNR Fisheries Service

MR. GARY: This next item on the agenda, and you just got a handout from Diane Samuels -- and I apologize getting it to you at the last minute but it is going to be pretty straightforward I think. It has to do with species additions and state records.

Keith Lockwood is our tournament director and he was going to present this today but he is battling a kidney stone right now, so I am going to pinch hit for him. This document that Diane just handed to you deal with State Records and Award Recognition for Sport Fish Catches.

There is some background and then there are a couple quick issues so if you flip over to page two -- and while you are taking a quick look at that first issue, DNR's had a Sport Fish Citation Award Program for several decades. They have also provided for State Record Recognition for Exemplary Sport Fish Catches for many, many years.

Only recently have we folded that all under the umbrella of the Maryland Fishing Challenge as one package, something this Commission and Task Force had some say on to help with the promotion and marketing for sport fish opportunities. There are a couple of issues.

First one here, just quickly and succinctly, has to do with adding new species for award recognition. We typically, every year, get a couple of requests from stakeholders asking if we will consider a species that is not currently under consideration.

To give you an idea, Rockbass, spadefish, Blackfin tuna, those are a few just over the past couple of years that folks have come to us on and we have added them. In this particular case, we -- what we want to do is we don't have a

uniform process under this new umbrella, the Maryland Fishing Challenge. We are -- we have created a process and we would like to provide some -- get some input from the Sport Fish Commission when we move forward as part of the process.

So issue one has to do with obtaining input from the Sport Fish Commission when we do add species category, and we'll get to three of those in just a moment that we'd like for you to consider, and they're tied to length for the particular fish -- weight for state records.

So flip over to issue two on the next page and you will see three species of fish there. The first one is Redbreast Sunfish, which actually is -- we do allow for a citation award for Redbreast.

In fresh water, we are going to expand that to Chesapeake Bay because they are native to the tidal water and non-tidal waters, and we are going to go ahead and establish more or less a threshold of one pound for a benchmark for us to recognize the new state record Redbreast Sunfish. So that's more of an FYI.

With White Catfish, this is really our only native catfish to the Chesapeake Bay drainage. Channel cats aren't even native to the Chesapeake Bay drainage, and it's not part of our award recognition or state record category so we we're looking for your -- if you have any concerns or anything, we'd like to add it but we're looking for your support for this.

We do not need a motion or anything like that but if there are no objections, we would like to add White Catfish, our only native species, for both award certificate recognize and state record recognition. Then I will come back to you Jim, but let's get input from everybody.

The third species is Golden Trout. A little bit more -- from our perspective we do not support this. You can read the narrative here but Don and Tom both weighed in on this. In our statement here, we do not consider basically Gold Trout to be a separate species.

It is variation of the Rainbow Trout and we have had stakeholders ask about it but our perspective on this is we would not be supportive of providing a separate award recognition category and state record status for Golden Trout. I don't know if I want us to stop there and go ahead and get comments on it before we get to the last one as to ---.

MR. GRACIE: Any commissioners have any thoughts as recommendations?

(No response.)

MR. GRACIE: Go ahead Marty.

MR. GARY: So there is -- I'll take it there are no issues with us adding Redbreast Sunfish, White Catfish and not considering Golden Trout? All right.

MR. O'CONNELL: Just one point of clarification. When would these new species recognitions go into effect? Is

it going to go into effect --

MR. GARY: That is a good point, Tom.

MR. O'CONNELL: -- immediately or the next fishing year when we can put in the fishing guide?

MR. GARY: That is a good point. So we are coming at this -- the timing for this is important because we are virtually on the cusp of having a production for our written guide or printed guide that goes out to all the licensed purchasers and so we would like to include that.

But technically, it would take place at the start of the fishing challenge year which would be the Monday after Labor Day. That is the implementation timetable. Of course, the printed guidebook, it would appear on our website earlier but the printed guide will be available I believe in December.

Then issue three has to do with state record catches, exemplary catches for categories of both commonly caught and uncommonly caught fish that we do not currently recognize. I put an example in here of Snowy Grouper and Val, you may have heard of this catch down in Ocean City.

It turns out, you know, we were going to potentially look at that but our biologist couldn't even see the fish because it had already moved off the scales and we never did see it. But even so, at this point in time, we have no category for Snowy Grouper.

As I understand it, it is a fish that is sometimes

caught out in the canyons -- the tip of the canyons in deep water, along with tidal fish, and so somebody apparently caught one recently.

I mean it is a fairly uncommonly caught fish as far as I can tell but we did have an inquiry as to whether or not to add it at the state record category. What we also get periodically is some requests for commonly caught fish.

Rockbass, for instance, is a commonly caught member of the Sunfish family and they catch them all over the Piedmont/Western Maryland. It was never a state record or award certificate category and that was added a few years ago. But again, as part of adding this to the process, we'd like to get input on the commission.

What would like to do is, from DNR's perspective, is have the flexibility to add these categories, you know, when the opportunities present themselves and they make sense. So unless anybody has any trouble with that, you know, what we are asking here actually is just, you know, support for that.

MR. GRACIE: I guess I do not understand what kind of conditions you are talking about that might -- I mean do you have some criteria in mind or --

MR. GARY: Well, we would just like to have the flexibility. For instance, the Snowy Grouper that was caught it is not currently part of the program. Rather than have to go through here and have some formal process, be able to use

our judgment -- allows us judgment.

If this is a, you know, sought after sport fish species that is worthy of recognition, be able to have that flexibility to add that species.

MR. GRACIE: How would you propose -- let's say you wanted to add Snowy Grouper, how would you propose doing that and publicizing it?

MR. GARY: We would go ahead and we'd look at surrounding states -- just see if Virginia, North Carolina or somebody else has recognition for that program, work with our biologist to figure out if this is a reasonable benchmark for the size fish that was caught.

I think the fish that was caught off the Washington Canyon was 51 pounds. Is that worthy of a state record? I think my biologist would know.

Questions and Answers

MR. O'CONNELL: How would we advertise that so if --

MR. GARY: Yes. That is the other part.

MR. O'CONNELL: -- if Snowy Grouper came in, we review the situation and say yes, it is worthy of a state record recognition. We inspect it and get the weight. We would add that to our website as a new species of state record recognition with the weight.

If we include anything in the fishing guide, you know I cannot recall off the top of my head, then next year we

would incorporate that. Would it be on our website?

Another criteria. You mentioned criteria. When we talked about -- if we have someone call in a fish that is not, you know, recognized now but it is a non-native species, I think that is something that requires some special consideration and, you know, we may want to come to the Commission on something like that before we accept.

Just another example of something that would be of a special situation that we would want to look at carefully.

MR. GRACIE: Dave?

MR. DAVID SMITH: I think if you could have, as much as you can, a criteria because I've kind of learned from my experience, if you don't and it's kind of arbitrary and just kind of -- you'll make enemies, you know, because why did they accept his fish and not mine.

So I guess the flexibility, yes I agree with. To be able to do that. Just definitely publish and make known the criteria if you can. You know, it's probably going to be tough because you don't know what's going to be caught so that's the difficult part, but if you have a criteria you won't be hurting people's feelings. That is for sure.

MR. GRACIE: Do you see this as solely happening in reaction to somebody catching a fish that was not on the list? Is that the way you are envision it?

MR. GARY: Solely if somebody catches it ---?

MR. GRACIE: No. If you would not add a new fish for next year that was not caught and say this is going to be a citation fish, part of the challenge and we are going to start keeping records for it when we have not in the past.

MR. GARY: Yes. I mean I think that is part of the flexibility. It goes both ways, Jim. In other words, if somebody catches a Northern Hogsucker or Red Horsesucker or Fallfish, do we consider that? Versus a Blueline Tilefish or Golden Tilefish?

Those were, up until recently -- those were fish we did not hear too much about people pursuing and we can make it a little tighter. I think what we are trying to say is we are going to use our judgment to have the flexibility to be able to say this is worthy of state record.

MR. GRACIE: Let me ask my question again because I did not get an answer to it. Are you only going to do this for fish that are caught that were not on the list or are you going to proactively add new fish where if somebody did not say, "I caught this fish" and only -- that was the question I was asking.

Do you want to do it either way? I mean what do you --

MR. DAVID SMITH: Can I? I would just say as they come in. I mean you could sit there all day long. There are a lot of species out there.

MR. GARY: That is what we have been doing, I think, largely. Okay. Blackfin tuna came in six years ago. There was a request. We considered it. We discussed it internally, you know, so it is not typically at this point --

MR. GRACIE: Does anybody on the Commission have a problem with letting them do that?

MR. DAVID SMITH: I think it is good -- a good practice.

MR. GARY: I think at the core of this, just to understand this, we are trying to get people excited about fishing.

MR. GRACIE: Obviously.

MR. GARY: It is part of our contest and if we can get a press release out that says somebody caught this particular species. It is a new category. It may, you know, get more people excited about getting out.

MR. GRACIE: Val?

MR. LYNCH: What did you anticipate something other than species specific? By that I mean an achievement. As an example, the billfisher are getting 57 white marlin in one day. I mean is that something that you're also looking into?

MR. GARY: Bill? Say that again? Billfish?

MR. LYNCH: The billfisher --- and Duffy are catching 57 white marlin in one day. Is that something you are -- they are looking at, as well, or is it just a new

species of fish?

MR. GARY: You know, that type of achievement is incredibly notable but it is not really part of the recognition program as we speak on --

MR. LYNCH: No. I understand that. When you say you are looking for flexibility and exemplary catches, my question is, is it species specific?

MR. GARY: It is species specific.

MR. LYNCH: Okay.

MR. GARY: At this point.

MR. LYNCH: Okay. Yes.

MR. GARY: Yes.

MR. LYNCH: Well, I only say that you might want to consider shall we say significant events.

MR. GRACIE: Any other questions or comments? Would you like a resolution on that to be on the record? Do you feel it is necessary, Tom?

MR. O'CONNELL: I guess we are just looking to see if there -- is there any opposition with moving forward with the process we have laid out today?

(No response.)

MR. GRACIE: I do not see any, no.

MR. O'CONNELL: Thank you.

MR. GRACIE: Anything else, Marty?

MR. GARY: No ---.

MR. GRACIE: Just FYI. A number of the fishing groups that have participated in the event at the Seafood Festival have asked to have a meeting set up by you so we can talk about what kind of conditions we would like, and maybe proactively go to them and say here is what we would like to do, rather than the crazy fire drill we had last year where they said we are going to do this, this and this and most people said, "We're not interested" and then they changed the conditions.

MR. GARY: For the final award ceremony?

MR. GRACIE: Yes.

MR. GARY: Okay.

MR. GRACIE: So I think -- I will help you coordinate with groups that would want to participate in that but I think there was some strong feeling that we want some input into what kind of facilities we have, if we are going to display, what kind of participation costs we have and so forth and so on.

So there was some differences of opinion on that and we would like to be stronger participants but we are going to have to have some in ---.

MR. GARY: I think it would be welcomed ---.

MR. GRACIE: Well, if you would set --- set something up for that.

MR. GARY: We will put as an action item.

MR. GRACIE: Thank you.

MR. GARY: It is broader than the Commission obviously.

MR. GRACIE: Yes, but I do not think anybody in the Commission objects to that do you?

(Indiscernible.)

MR. GRACIE: I think most of the organizations that were involved are represented on the Commission in one way or another. So is that it for the fishing challenge discussion?

MR. GARY: It is.

MR. GRACIE: Tom, I think the floor is yours.

MR. O'CONNELL: All right.

Fisheries Service Budget; Desired Outcome

by Tom O'Connell, MD DNR Fisheries Service

MR. O'CONNELL: So Marty is going to bring up the -- kind of three components under this agenda item. The first one is our annual report on the Fishery Service Budget. Then we hope to have a little discussion -- input from the Commission on how we are going forward with extending Sport Fishermen's money in 2013, and probably more importantly going into 2014 as we are in that budget planning exercise this summer.

The last part of it is to give an update on our cost recovery exercise in response to House Bill 1372.

(Slide.)

MR. O'CONNELL: So beginning with -- it has been a topic of some discussion recently amongst the Commission. With that, by statute, we are required to report out annually on the reviews in and expenditures out on license fee revenues from the tidal and inland recreational license fees.

So I thought you guys have had this for a little bit of time but I thought I would just highlight a few sections of the report to form a foundation for some discussion, if you guys are interested.

So what we did was, you know, building off of what former director Howard King did in 2007, which was simply a PowerPoint presentation, we tried to put this into a document that we can put on the web and be more widely distributed to sport's fishermen so they have a better understanding of how their money's being utilized.

(Slide.)

MR. O'CONNELL: We provide a little history on how DNR and Fishery Service was developed and how our mission has changed over time. Go down to the next section, Marty.

(Slide.)

MR. O'CONNELL: Provided a description as to how does Maryland fund its fishery programs and just a highlight. Sports fishermen's fees cover about half of our costs for managing our programs. A very interesting note, it -- the second paragraph there just restates our statutory

obligations.

The third paragraph explains that while our statutory obligations are limited to just reporting out on the special funds that are brought in through recreational license fees, we believe it is important to go beyond that.

We are looking to use this report and build upon it to provide a comprehensive report on the money that is used to support our Fisheries Management in Maryland, not just the recreational special funds but commercial special funds, aquaculture special funds, our federal funds, our general funds and reimbursable.

Just a broad -- a comprehensive report and this is a foundation that we are going to be building upon and hopefully it'll be a basis that we can use to better inform our constituents on how their money is being utilized so that they recognize the value when they're purchasing their licenses and they're paying the taxes on the sport fishing equipment. The next section.

(Slide.)

MR. O'CONNELL: Just some general terminology that, you know, I am sure most of you are familiar with but as we try to get this report out to other constituents -- our special funds, what consists of that; federal funds, general funds and reimbursable funds. Go a little further, Marty.

(Slide.)

MR. O'CONNELL: License sales. We provide a five year trend of license sales by license type for recreational licenses. Underneath that -- I know you cannot see the numbers. You guys got the handout, but we noted some noteworthy changes since last year.

Highlight a couple of them under "Title." There was over 58,000 anglers registered for free so revenue was received. So this is the shoreline property owners. These are people that fish on the boats that have the pleasure boat decal. That is something that we have continued to support recognizing that there is some lost revenue there -- potential revenue.

Beginning for this -- I am just backtracking. One thing I forgot to mention is this report focuses on fiscal year 2011 because that is the last year that we have complete information revenues collected and expended, okay? I will talk about how we are going to proceed with FY '12 at the end.

So this is a reflection of license sales in calendar year 2011. Some noteworthy items, January 1st, 2011 was the first time in which people fishing on the coast, coastal bays and ocean were required to purchase a license.

We did see that tidal resident licenses increased by 7 percent of that new license component could have been partially attributed to that. We saw non-resident annual tidal licenses decrease by a little over 6 percent. The

pleasure boat decals increased by 3.6 percent, and that is something that has been increasing consistently over time.

Short-term licenses increased 58 percent. Resident recreational crabbing licenses increased by 5 percent. The crabbing boat licenses increased by 8 percent but non-resident recreational crabbing licenses decreased.

In regards to the resident licenses, we have seen a continued increase since about 2008 as the population responded to the management actions we took. So word is getting out there. That recreational crabbing is improving. More people are going out there using that resource.

(Slide.)

MR. O'CONNELL: In regards to non-tidal, the resident non-tidal licenses decreased by just under 5 percent. The non-resident licenses decreased by 3.2 percent. Short-term 3 day licenses decreased by 19.5 percent. However, the short-term 7 day license, which used to be a 5 day license -- the 7 day license increased by 13.6 percent.

Trout stamp sales decreased by a little over 9 percent, and that was the first year that we had a higher fee for non-resident trout stamps. The senior consolidated license increased by 4.9 percent, and that is something that is continuing to increase and is probably a reflection of the demographics of our fishermen increasing in age.

MR. GRACIE: I am sorry. Can I ask a question, Tom?

MR. O'CONNELL: Yes.

MR. GRACIE: On the trout stamp sales decreasing?

MR. O'CONNELL: Yes?

MR. GRACIE: Do you have a breakdown of resident versus non-resident?

MR. O'CONNELL: Yes. So this was the first year that we had separation and let's find it here. Trout stamp. We had 40 -- just a little over 44,000 residents and 6,000 non-resident.

MR. GRACIE: Now, my question is was both non-resident and resident decreasing and the overall decrease was 9.3 percent or was there a --

MR. O'CONNELL: Yes.

MR. GRACIE: -- difference in percent --

MR. O'CONNELL: Yes.

MR. GRACIE: In what?

MR. O'CONNELL: It is just the overall decrease because we do not have prior years' non-resident --

MR. GRACIE: Yes. Sure.

MR. O'CONNELL: -- to compare it to.

MR. GRACIE: Of course.

MS. HUNT: I can even --

MR. GRACIE: Thank you.

MR. O'CONNELL: You want something to add to --

MS. HUNT: Just I could get it even though it did

not have a separate fee if they were interested.

MR. O'CONNELL: We can look at the residence of the license folder.

MS. HUNT: We collected the data whether or not you were a resident or not --

MR. GRACIE: Really? Okay.

MS. HUNT: -- even though we did not sell it for a different fee.

MR. O'CONNELL: So it is something we can look into.

MS. HUNT: Yes.

MR. O'CONNELL: So it is just as a few, you know, nuggets and it may be a -- something for a future discussion. You know, we are seeing both in state, as well as nationally, some decreased trends of recreational fishermen. We have seemed to stabilize the tidal licenses somewhat over time but the non-tidal is continuing to experience a decrease.

(Slide.)

MR. O'CONNELL: Going on to the next section. It focuses on revenues and this graph here is focused on our special fund revenues. You can go a little higher, Marty. You can see that section on the right, the red. That's our recreational FR&D money, which is our tidal recreational licenses.

That bottom yellow portion is the commercial license sales. The dark blue on the left is the inland recreational

license sales and there is, you know -- there is some interest that we earn on the special funds. Aquaculture is a very small component there at \$14,000.00 and there is some donations that will get credited to the account.

So that is just kind of a breakdown on how our special funds is about \$9.6 million. Just scroll down a little bit further, Marty. Right there. You can see that our total budget, all funding sources for FY '11, was \$27.66 million and that was broken down into the funding sources as you see there. Okay, Marty.

(Slide.)

MR. O'CONNELL: Now we look at our expenditures for FY '11, you know, you can just kind of see there. A couple of noteworthy things, if you kind of cross-reference to the revenues in and the expenditures out, the green there you would have noticed in the previous revenue section that the general fund revenues were, let's see here, just under \$5 million but you see our expenditures are \$3.1 million.

One of the reasons for that is that a few years ago, the legislature changed the manner in which we get boat excise tax money and rather -- what they did was they gave us a fixed rate that goes into our general fund account but then it -- we are directed by the statute to move it over to our Fisheries Research and Development fund.

So that green pie there is \$1.794 million less than

our general revenues in because it gets moved over to that blue section, that \$14.19 account. The other thing, if you scroll down a little bit Marty, is worth noting is while I mentioned that we had \$27.66 million revenues, our expenditures were a little over \$30 million.

This is something that we have reported out last winter in regards to our budget situation. We have been exhausting our reserve of special funds to maintain critical operations that support Fisheries Management and we are getting to the point, beginning in '13, that that reserve fund is going to be exhausted.

We have got some pretty significant problems that we need to begin addressing. That goes back to the cost recovery exercise.

MS. STEVENSON: Jim, is this -- can I ask a question now --

MR. GRACIE: Sure.

MS. STEVENSON: -- or do you want me to hold until the end?

MR. GRACIE: No. Go ahead.

MS. STEVENSON: This chart really, to me, is another representation of your revenue rather than your expenditures. I would have hoped to have seen something broken out with it, you know -- the sources into what you are actually expending.

So whether it had \$30 million, or whatever your

total expenditures were, broken out by, you know, hatcheries or education or whatever funds supporting specific directed expenses.

This, to me, would be a more -- illuminating or would be more informative if I saw the actual expenditures. Is that something you are going to work toward --

MR. O'CONNELL: Yes.

MS. STEVENSON: -- as you go into '12?

MR. O'CONNELL: Yes. That is something we are working towards. Definitely, as we have talked at the subcommittee meeting, because of our reorganization of Fisheries and budget process right now, it is difficult to provide that detail by our current programs.

But, you know, our goal for this was to report out at this broad level, like we have done in the past, but as we move forward we are in the process of re-aligning our budgets with our organization, re-aligning the funding sources with the programs and working towards being able to provide you and our constituent with more detail as to what money is being used to support hatcheries.

What money is being used to support Inland Fisheries? What money is being used to support striped bass, blue crabs?

MS. STEVENSON: And the associated revenues --

MR. O'CONNELL: Yes.

MS. STEVENSON: -- their sources?

MR. O'CONNELL: Yes.

MS. STEVENSON: Okay. Thank you. That would be my point.

MR. GRACIE: May I add something too?

MR. O'CONNELL: Yes.

MR. GRACIE: We expect that to be an iterative process. Fishery service is going to give us a proposal in terms of here is what we think would be more useful to you and then we are going to react to that and say well, maybe this, this and this.

So in that -- I guess everybody is aware. I think I sent an email out to everybody in the commission saying that we have -- we are not going to do this in a subcommittee anymore. We are going to do this in the commission as a whole.

So our goal is to get to a budget next year that we can understand in terms of its programmatic implications and the revenues that support it. So I think that is what we are all interested in and I know that is what you are getting at Carol. Dave?

MR. DAVID SMITH: In that -- you sent out an email with that attachment of that. There was an oyster program is the sample. Is that what it -- you envision it looking like?

MR. O'CONNELL: For very large programs, liked

striped bass --

MR. DAVID SMITH: Yes.

MR. O'CONNELL: -- blue crabs, oysters that we have specific programs for, yes but then we have other programs that are for a multiple -- a multitude of species for migratory and resident species for the bay.

That is going to be more broadly -- it is going to take a lot more energy to break that out because those -- because of our -- because of current budget system is broken down to a level three by program and -- like for blue crabs and striped bass, it is a program level three.

We can do it but then we have a program that is resident based species that covers like catfish, yellow perch, white perch that is going to be grouped together and will take more energy to report it out for those types of species.

MR. GRACIE: In fact, it is -- with some of these programs it is almost an arbitrary allocation of how much time somebody spends on five species when they are out doing collections of all of them.

MR. O'CONNELL: Yes, for example.

MR. GRACIE: So I am not sure that that level of detail would necessarily be useful for some of the smaller ---.

MR. O'CONNELL: Just to kind of manage everyone's expectations, as Jim says, it is going to an iterative process

that is going to take us a little time to get there because we have already got our '13 budget, which is still not aligned with our organizations.

So what we are doing this summer, as we are developing our '14 budget, is we making that re-alignment and putting us in the position to report out more thoroughly on the questions like Carol just brought out. That is going to be our '14 budget.

You know, you will probably see a little more stuff with '12, a little bit more with '13 and with '14, we should be where we all want to be.

MR. GRACIE: All right. Does everybody understand what fiscal year we are in now --

MS. STEVENSON: Yes.

MR. GRACIE: -- with how that aligns?

MR. O'CONNELL: Okay.

MR. GRACIE: '13 has begun.

MR. O'CONNELL: Yes.

MR. GRACIE: Okay.

MR. O'CONNELL: So this next section here, we wanted to bring to your attention is there is about \$7 million, which is about half of our special fund expenditures in FY '11, that go to support other units within the department. Units such as the Office of the Secretary, and do not just view that as Secretary Griffin and Deputy Secretary Gill.

(Laughter.)

MR. O'CONNELL: That is our FAS, Fiscal Administrative Services. That is our Human Resources. That is Information Technology, our Legislative Program -- that is all that grouped together. We also provide funding to -- as the other units you see here.

As you see, Fisheries has been contributing a higher amount of its special funds to other units. This has been necessary to maintain a lot of the initiatives that we established from the recommendations on the Task Force on the Fisheries Management -- a few examples.

Task force on the Fisheries Management was very -- some of the recommendations was enforcement. The department has experienced significant general fund reductions. In order for us to maintain a focus of enforcement on Fisheries, we stepped up and provided additional revenues. So you can see that has been significant.

Boating. Because of our oyster restoration aquaculture initiative, we have had to provide Boating some financing to support the placement of buoys to protect these areas. That has come out of our money that supports our oyster program not sports fish and license fees.

Resource assessment. The Maryland Biological Streams Survey, the Water Quality and Monitoring Programs, programs that were highlighted in the Task Force Report that

emphasized the protection of habitat. We have had to step in and help to maintain those operations; watershed services, environmental review, prioritization of habitats.

Again, things that were highlighted in the Task Force Report, we've been able to maintain those operations but as I said earlier, our ability to do that is getting less and we need to find a better long-term solution to maintain those programs, which I think all of us collectively feel are important.

So I just wanted to kind of highlight that and explain why those increases have been occurring.

MS. STEVENSON: Could I ask a question --- ask?

MR. O'CONNELL: Sure. Go ahead.

MS. STEVENSON: Do you anticipate, Tom, that NRP transfer is going to drop significantly this next year? A lot of that was driven, wasn't it, by the illegal poaching and things that you had to do to put NRP resources on it? You don't think it will be dropping?

MR. O'CONNELL: I do not see -- I do not think it is going to be dropping anytime soon. NRP, I think -- Assistant Secretary Frank certainly can help me out but I think NRP's doing a summer study themselves to look at some of these funding issues?

MR. DAWSON: Yes. As part of that, we are looking at how their allocating their time, you know, on a given day

across that, and that is going to be part of the analysis, but no, I mean poaching continues whether or not it's striped bass or oysters.

We continue to have those problems. We continue to need to have that level of enforcement.

MR. O'CONNELL: The one other thing I forgot to --

MR. : ---.

MR. O'CONNELL: -- the Offices of the Secretary, you see that, is increased a little bit. That was attributed to Fisheries investing in the development of COMPASS. It was about \$500,000.00 so that is what caused that most increase there. All right.

(Slide.)

MR. O'CONNELL: We are wrapping but a little bit of summary and a couple of things to highlight here is as I mentioned, this report focuses on FY '11. We should be completed with the closeout of FY '12 in mid-August and we will begin to provide a next report in time for the October Sport Fish Commission meeting.

We will establish the October time period as our annual cycle which will allow us to close out the previous year and then report that out in a timely manner. So that is where we are going next.

We are encouraging you and the others to provide input on the report, as well as how we are utilizing money

collected from the sport fishing communities and we put a contact there, Karen Knotts, which is our division manager for the Communications and Outreach Division.

(Slide.)

MR. O'CONNELL: At the end, just to close, we have an appendix and this is another area that we hope to strengthen over time but we provided a brief description of each of our divisions within Fishery Service to provide a beginning explanation of how money is being used to support Fisheries Management.

Just one other comment is -- which as we go into our next agenda topic is, you know, if you guys have suggestions for how we should be spending the Sports Fish dollars that are invested, in your binder what we have done -- this year for Fisheries FY '11 our focus is really to maintain our current operations given our budget situation.

But we have gone through our divisions and we have asked each division to identify their top five priorities that kind of are beyond their routine operations, and that is including your handout. So you can see some of the priorities within each of the divisions that we are trying to accomplish in FY '13.

With that, we can open up for questions on the Budget Report.

Questions and Answers

MR. GRACIE: Val?

MR. LYNCH: Tom, you demonstrate here a good overview, as I see it, of income and expenses. How about balance sheet items on assets and liabilities that you have? For example, you show interest income of \$184,000.00. What is that interest income on?

MR. O'CONNELL: I will ask Gina to check me on this but it is that special fund reserve account, the balance of special funds that we have not been expending. There has been interest earned on that correct?

MS. HUNT: Right, but I do not think it is just the reserve. I think it was in general we -- money goes into a bank account and you start accruing interest immediately. So until it is expended, you are getting -- but its special funds --- special fund --- interest on -- that chart up there.

If you go up Marty, that pie I think is all special fund money.

MR. GRACIE: Keep going.

MS. HUNT: No. All the way. All the way. There you go. So that is special funds. So that's just interest on our special funds -- our licensed revenues. So whether it was from the savings account or it was from this year's license sales, however that money is sitting in the bank that is just interest from that money.

MR. LYNCH: So you have got \$184,000.00 of interest.

MS. HUNT: Yes.

MR. LYNCH: That is on a very considerable sum of assets.

MS. HUNT: Yes.

MR. LYNCH: Far more than what you are collecting and carrying in your special funds would it not be?

MR. : No.

MR. LYNCH: Because you have the money coming in and going out.

MS. HUNT: You mean far more than that \$9 million?

MR. LYNCH: Yes.

MS. HUNT: Right. Again, there was a reserve. There was a reserve account of which we have been spending down.

MR. LYNCH: Okay. I think it might be helpful --

MS. HUNT: So presumably in '12, and I am just going to say presumably in '12, that interest pie is going to be a whole lot smaller because there will not be that savings account to accrue interest on.

MR. LYNCH: Okay. I think it might be helpful to compliment the income and expenses to have a balance sheet basically. If you have no liability against it, then at least show what your assets are.

MS. HUNT: You want to know what is in the savings

account?

MR. LYNCH: Yes, whatever you have as assets.

MR. GRACIE: I think what Val is asking for is standard financial report, which has a balance sheet and the sources and uses of income.

MR. LYNCH: The two parts, yes.

MR. : Are you set up to do that? I do not know that you are now. So you are going to have to ask --

MR. O'CONNELL: Well, when we close out '12 we will know what is in our checking account and our balance so we can report that up.

MR. LYNCH: Well, the income statement is kind of like a movie --

MR. O'CONNELL: Right.

MR. LYNCH: -- of the whole year but the balance sheet is a one day snapshot.

MR. O'CONNELL: Yes. Yes.

MR. LYNCH: So at the end of your fiscal year, you can just say this is what we had in the bank.

MR. O'CONNELL: We can go back and look what it was for '11 --

MS. HUNT: Yes.

MR. O'CONNELL: -- as well.

MS. STEVENSON: I have a question.

MR. GRACIE: Yes, Carol?

MS. STEVENSON: I have another procedural -- a sort of a procedural question for Tom. I know in reading over the budget submission in '13 -- for '13, you are mapped in terms of goals and objectives and performance measures which does not do a lot for me.

But this, you know -- what you have put down in the appendix is really helpful. How do you reconcile those two? Are you going to be continuing to submit the goals and objectives and performance measures or are you going to go with a new data structure that is mapped like this (indicating) when you look at revenues and expenditures?

I know why you have to do it. Everybody wants to know the results but I think it would be better, in my mind anyway, to put the performance measures and objectives to something like this to your organizational --

MR. GRACIE: I think that is part of what we are going to be discussing over the next year, Carol, so --

MS. HUNT: Okay. That is fine.

MR. GRACIE: -- I am not sure we are going to resolve that today but --

MS. HUNT: Right.

MR. O'CONNELL: That is something we have been talking about, you know, managing for results, you know, looking at what our performance measures are now. I agree that we -- I think there are some better ones and working to

do that.

MS. HUNT: Thanks.

MR. GRACIE: Any other questions? Go ahead, Dave.

MR. DAVID SMITH: Tom, you said this appendix -- you have mentioned something before. We kind of got off there. what did you want? Did you want comment on that or did you want -- you said something. I cannot remember what you said.

MR. O'CONNELL: Yes. So after we complete the input on the Budget Report, the law also requires us to seek input on the expenditures of revenues from the sport fishing community.

So what this does, it kind of shows you what our -- a reflection of our current operations and we have included a handout, which is a top five priority for each division, and this is an opportunity, despite us already having our '13 budget, there are some areas that you think we should be trying to focus in on for '13.

As we plan our '14 budget, it is probably more critical as we plan our '14 budget. This is something that we should be doing every year this time of year as we are getting ready to prepare our budgets.

MR. DAVID SMITH: Did we do this last year for the '13?

MR. O'CONNELL: We have done a couple of exercises. I will have to go back --- but we have done some like

brainstorming as to what other priorities. I mean there is a lot of emphasis on access.

A lot of emphasis on enforcement but it has probably been a year and a half ago I would say at this point in time.

MR. GRACIE: When you say "we" and he says "we," are you both talking about the Commission --

MR. O'CONNELL: Yes.

MR. GRACIE: -- or the Fishery Service?

MR. O'CONNELL: Commission.

MR. GRACIE: Okay.

MR. O'CONNELL: Yes.

MR. GRACIE: Thank you. You may recall. I guess it was over a year ago that someone on the Commission thought that the Fishery Service should develop a management plan for Crappie and we were kind of all stymied as to whether or not that could be done and what would be displaced.

This really, from my mind, is what started our budget discussion. So we did not really know where the money was being spent on what other programs because we couldn't see a programmatic budget and so we were -- we felt at a loss to say yes, well do away with this and do more of this because we don't know how much of this is being spent on these things.

So that is where we would like to be by next year in my mind.

MR. HERB SMITH: Jim?

MR. GRACIE: Yes?

MR. HERB SMITH: Just a question. Some of these have more than five priorities. Are they priorities in list of -- listed in order of priority?

MR. O'CONNELL: Just to make sure. Are you on the Budget Report or the additional handout?

MR. HERB SMITH: Appendix I.

MR. O'CONNELL: Okay. Yes. So you are looking at Appendix I which is in our Budget Report. That is just a description of the functions that each division in Fisheries performs and then there is a separate handout, which is a description of five priorities within each of our divisions that we are trying to initiate and complete in FY '13.

To give you a sense of -- above our current operations, these are the additional things that we are trying to complete.

MR. GRACIE: Would you help us identify what those two documents are, Tom?

MS. : Should be all the way at the end.

MR. HERB SMITH: Is that at the end?

MS. : Yes.

MS. : Priority. Got it.

MR. O'CONNELL: Does everybody find that document -- that list of priorities? It should be at the end of your binder.

MR. O'CONNELL: There you go.

MS. : Thank you.

MR. GRACIE: Yes. I do not think we were looking at the right document --

MR. O'CONNELL: Yes.

MR. GRACIE: -- so that is what the confusion is.

MR. HERB SMITH: I know we were talking about it but we were not looking at it.

MR. O'CONNELL: Yes. What we have done to make, if you guys have it in front of you, but now you can see the first one is Sarah Widman's division, Legislation, Regulation, FMP's and Habitat, and it goes through priorities. They are not -- number one priority is not any higher than number five priority.

It is a list of five priorities. We provide kind of a target achievement date where we can. We identified some obstacles and some of the solutions to those obstacles. It is this part of our kind of planning process that we do internally and wanted to bring to your attention.

MR. GRACIE: Thank you. Any other questions?

(No response.)

MR. GRACIE: Okay.

Solicit the Advice and Opinions from the SFAC on FY13 and FY14

Expenditures of Sport Fish License Revenues; Desired Outcome

by Tom O'Connell, MD DNR Fisheries Service

MR. O'CONNELL: So the next agenda item gets to this issue if you guys wanted to provide any input. As to we are beginning to implement the '13 budget and prepare for the '14 budget are there areas of interest that you think we should be putting more emphasis on?

We have some time on the agenda to have that discussion and Marty can, you know, capture that for us. It is something that if you guys do not think of something today, you want to follow up with us on that would be fine.

Questions and Answers

MS. STEVENSON: Jim?

MR. GRACIE: Go ahead, Carol.

MS. STEVENSON: I guess I have a question on this issue with the Natural Resources Police. Since that is a special transfer every year and the -- I do not know what the long term trend is but is that something that should be programmed and submitted in as part of the budget rather than as -- in a transfer fund during the execution year?

MR. GRACIE: My immediate reaction would be no, but others may have different thoughts on that. I would not want to cast it concrete. First of all, there is an overall problem with the staffing of Natural Resources Police.

MS. STEVENSON: Yes.

MR. GRACIE: A number of organizations have been trying to get that addressed with various pieces of legislation and various efforts to lobby the governor to do something about that.

So we really -- I think collectively, we think that there should be more general fund revenue allocated towards Natural Resources Police. So I think we would be working against ourselves if we took that -- what is it? \$3 million now -- transfer and said let's make that a permanent part of the budget.

I do not think we should. I do not think that Fisheries should be paying that much if we had an adequately funded force, but that is just my opinion and I certainly -- there has been a lot of discussion about that.

The Legislation Sportsmen Foundation has been taking the lead on that issue trying to get somewhere with it without much success, as everybody knows.

MR. O'CONNELL: Jim?

MR. GRACIE: Go ahead.

MR. O'CONNELL: Just to clarify. So if you look at the '13 budget for Fisheries, there is a specific line item that money from Fisheries goes to Natural Resources Police. So it is in the budget. It is still a transfer but it is a line item within our budget.

Then during the year, if there is a special need to provide additional supplemental money, we do that through a memorandum of understanding what the Natural Resources Police to provide additional funds say for oyster restoration -- I mean oyster enforcement.

MR. DAWSON: We have the ability to change it every year when ---.

MR. O'CONNELL: Exactly. That is why I do not think it should be separate --

MR. DAWSON: So it is not --

MS. STEVENSON: Nothing is permanent.

MR. O'CONNELL: Right.

MR. DAWSON: So in theory, if we are doing the job correctly we are doing it based on real need and that is what we are trying to do.

MS. STEVENSON: We only based on the last years' experience so you are projecting --

MR. DAWSON: Right.

MS. STEVENSON: -- two years ahead.

MR. DAWSON: And our understanding of what the problems are.

MS. STEVENSON: Thank you.

MR. GRACIE: Okay. Any other questions or comments?

(No response.)

MR. GRACIE: All right. I do not know that I want

to make any statements about -- I am sorry. Go ahead, Dave.

MR. DAVID SMITH: This is the time where we kind of tell you our --

MR. GRACIE: Sure.

MR. DAVID SMITH: Okay. So obviously, I agree with law enforcement and that the priority -- just looking at this real quick, I see Fisheries Marketing Division. Just seafood marketing, Maryland Seafood Advisory Commission outreach to seafood dealers, vendors, tradeshow and then I see a little thing for sport and charter fisheries.

I would like to see sport and charter fisheries maybe more prevalent in that marketing fisheries division.

MR. O'CONNELL: Yes. So Steve Vilnit, who heads that division, was brought on because of his specialty as, you know, commercial fisheries marketing and he has done an incredible job.

We believe he has the talents to also benefit the sports fishing and charter boat industry and I have had some conversations with Pat O'Brian and Jim who want to get ahold of the work that Jim and the other former commissioners did several years ago because I think there were some really good ideas that are probably still relevant today.

Look at that report, you know, see where we are today. We have a new partnership with the Recreational Boating and Fishing Foundation which provides resources for

marketing and that priority is basically to -- let's build a plan that we can begin implementing.

MR. DAVID SMITH: The report you are talking to, can I -- can you send that to me, Jim, if you have it?

MR. GRACIE: Actually, it is stack of papers about this big (indicating) --

MR. DAVID SMITH: Do not send it to me.

MR. GRACIE: -- and what I am going to do is I am going to bring it in here and let Tom get copies made. So I get one back and he can have as many as he wants to make.

(Laughter.)

MR. GRACIE: I actually retrieved that by taking Joe Evans and Brenda Foster to dinner and that is Brenda's copy of that report, so nobody in the department had it.

MR. : ---.

MR. GRACIE: What?

MR. : I have got a copy of it, Jim.

MR. GRACIE: There you go. You still have one?

MR. : Yes.

MR. GRACIE: Okay. Can you get that in --

MR. : Yes.

MR. GRACIE: -- Tom hands so he can --

MR. : Yes.

MR. GRACIE: Does anybody else want a copy of that?

MR. DAVID SMITH: No.

MR. GRACIE: You do not really want it to do --

MR. DAVID SMITH: Well, I do not need the full --

MR. GRACIE: I think what I want to see is somebody digest that and the start working on some of the ideas who were put forth in that marketing plan by the -- by a former commission and have a full-scale marketing effort put forth for Recreational Fisheries.

Tom and I have talked about that and I started talking about it when I first came back to the Commission, as Joe Evans will tell you, so --

MR. O'CONNELL: I did not see Joe back there but Joe worked hard last year to develop a MOU with RBFF. It has put us in a good position as COMPASS gets implemented and we acquire the contact information. So, you know, I see Joe working with Steve on this project.

MR. DAVID SMITH: Then the next one is just that the first -- the Fisheries Management Plans and we are going to talk about it -- or I do not think we are going to talk about in the PACU of the allocation policy. Where do you see, you know -- if we started talking about allocation in the Fisheries Management Plans, where do we start for crabs or striped bass or the like?

MR. O'CONNELL: So one of the outcomes of the Task Force on Fisheries Management was focus on FMPs in establishing a process like --- to review FMPs and the

Allocation Guidance Document is as these FMPs come up for review, we will build in an allocation section that describes the current allocation and respond to the criteria in the allocation document.

Outside of that, it takes a -- kind of a request from someone from the public with justification that we will review to see if there is sufficient information to trigger an allocation review prior to an FMP coming up for review. Does that answer your question?

MR. DAVID SMITH: Yes. I read the policy and I think the allocation policy is great what we have on and so -- and people could just submit those any time they want with -- as long as they have that. I think there was what six criteria or six things that support --

MR. O'CONNELL: Then if we receive something, we have committed to reviewing that in 90 days to make a determination on how we should go forward and we --

MR. DAVID SMITH: Regardless of if the Fisheries up for review.

MR. O'CONNELL: Yes, and so one thing we do not have here today but you may be interested in trying to look at is what the schedule is for FMP reviews to see, you know, what certain species that you may be interested in coming up for review to see if it is like this year or three years down the road.

MR. DAVID SMITH: Okay.

MR. GRACIE: Carol.

MS. STEVENSON: Jim, what is our timeframe for accomplishing this -- the input and getting things all teed up so that, you know -- that the Fishery Service can go marching smartly forward on the FY '15 or '14 ---.

MR. GRACIE: Tom and I have to sit down and work out a schedule for that but the goal is to have a process in place that we have all agreed upon so that the FY '14 budget uses that.

MS. STEVENSON: But we won't be meeting until October so -- and at that point, is that too late to --

MR. GRACIE: No.

MS. STEVENSON: -- do anything on the budget submission for this next year or --

MR. GRACIE: For this next year. Fiscal '14?

MS. STEVENSON: Well, actually it would be '15.

MR. GRACIE: It is absolutely too late for '13 --

MS. STEVENSON: Okay.

MR. GRACIE: -- because we are in '13 now.

MS. STEVENSON: No. No. I am not thinking about '13. That has already been --

MR. GRACIE: Tom has committed to having this in place for the FY '14 budget.

MS. STEVENSON: '14. Yes.

MR. O'CONNELL: So obviously, we already have our '13 budget.

MS. STEVENSON: Yes.

MR. O'CONNELL: With that said --

MS. STEVENSON: But if we are looking at '14 --

MR. O'CONNELL: -- I mean if the Commission brings ideas to us, we will review it to see if it is high enough priority to reassign resources. We are beginning now to plan for '14 and that budget needs to be completed, you know, in late August.

So, you know, now is the time to provide us with your thoughts on the '14 budget that we can look at making that alignment as we submit our budget.

MR. GRACIE: First of all, I think every Commissioner has now received the documents that the subcommittee received on budgeting, which includes various other states examples of how budgets were set up.

We certainly can make comments to Tom, at this point, on what we like and what we don't like in those examples but I would -- the fact that we do not have a meeting until October does not mean that we cannot interact.

MS. STEVENSON: No. They do not think we -- from my view only, I do not think we really have a sense of the timeframe for these various budgets that are being developed and are being implemented and are being planned, and we do not

know what the imperative is to get this particular thing done by this particular time, you know, and regroup and --

MR. GRACIE: Well, let me suggest -- first of all, Tom says their budget process starts in August. That is a process that is set by the governors in the Office of Management and Budgets --

MS. STEVENSON: Right.

MR. GRACIE: -- in Eloise Foster's group so -- but that does not dictate how we present these expenditures. In other words, we can still categorize these revenues by program after that process is underway. What that sets is the total amount of money that they have.

MS. STEVENSON: Yes, I know. Okay. We will talk about it offline.

MR. O'CONNELL: We can always amend the budget as issues arise too, but this is an early opportunity to influence our budget preparation process.

MS. STEVENSON: Okay. We will talk about it later.

MR. GRACIE: Okay. Any other comments or questions?

(No response.)

MR. GRACIE: If anybody has any recommendations to make, please send them in and I would ask that Tom or Marty, whoever is handling that, would copy the rest of the Commissioners on any input they get so we all know what is being said.

MR. O'CONNELL: All right.

MR. GRACIE: Okay.

MR. O'CONNELL: I have just got one more ---.

MR. GRACIE: You have got one more.

***Fisheries Service Analysis and Next Steps in Response to SB 1372; Desired Outcome
by Tom O'Connell, MD DNR Fisheries Service***

MR. O'CONNELL: Marty, if you can bring up the Cost Recovery Summer Study. While Marty is doing that, you know, I should -- this is an opportunity for me to recognize Gin and Karen Knotts and Karen Dodge who helped put this report together.

Karen and Gina put an enormous amount of time and effort to put this together over the last month and I appreciate you guys doing that. As we go forward with this Cost Recovery Summer Study, you know, Gina and Jorge Holzer -- Jorge, are you here?

MR. HOLZER: Yes.

MR. O'CONNELL: I do not know if all of you know Jorge. Just raise your hand again, Jorge.

MR. HOLZER: (Raises hand.)

MR. O'CONNELL: Jorge is an economist that we have contracted through the University of Maryland's economic team by Doug Lipton and it was something that we were able to do with the revenues that were generated from the Sport Fish license increase back in 2007.

MR. GARY: Everybody has got a handout of this.
This is the one right here.

MR. O'CONNELL: Yes. The second one.

MR. GARY: This is the right one right?

MS. : Yes.

MR. O'CONNELL: Okay. Thank you.

MR. : --- analysis.

MR. O'CONNELL: So we had hoped to be in a position today to provide the results of our Cost Recovery Study but based upon the email you received from Marty about a week ago, we are going to have to do this in two phases.

Today's phase is going to focusing on the overall framework that we are developing to complete the Cost Recovery Analysis and we are looking to schedule another meeting, which will be a joint commission meeting, in early August to present the results of the Cost Recovery.

So today, we are going to be focusing on kind of the overall framework for this.

(Slide.)

MR. O'CONNELL: So all this is triggered by House Bill 1372, which most of you should be familiar with. It was a bill that was introduced to -- that focused on this budget deficit that we are projecting for '14 -- a little bit in '13.

House Bill 1372 directly the department do a Cost Recovery Study and some of the considerations that needed to

be covered in this study were, you know, what are the costs for managing and enforcing commercial fisheries. What is the structure of the commercial license system?

We want an accountability of licenses and setting the commercial license revenue at a level that covers a fair and reasonable portion of the management and enforcement costs of the commercial fisheries.

You may recall that when we completed our preliminary Cost Recovery Analysis last winter, it showed that the sports fishermen were at a very high level cost recovery, and that was a result of several fee increases over the last five years.

However, the commercial fishery was at a very low level of cost recovery. Their fees has an increase -- have not increased since 1994 and the majority of our general funds had been used to cover those management costs.

(Slide.)

MR. O'CONNELL: House Bill 1372 also required us to collaborate with the Tidal and Sport Fisheries Advisory Commission, which is part of this week's meetings with you and the Tidal Fish which meets on Thursday.

(Slide.)

MR. O'CONNELL: House Bill 1372 also required the study to, you know, determine the allocation of user fees. Basically, special funds collected from recreational fishermen

are used for recreational Fisheries Management. Special funds collected from commercial fisheries are used for commercial management.

It also provided some guidance on allocation of general funds, that general funds be applied fairly and reasonably amongst the recreational and commercial fisheries, and that was something that was looked -- discussed over not necessarily on a year to year basis recognizing that there are priorities that come up but over a longer term.

We want our general funds to be used fairly and reasonably so both user groups are benefitting from that and to provide a report on the findings on the study by October 1 with identification of actions for implementation come July 1st, 2013 in response to our projected budget deficit for '14 which is currently over \$3 million.

(Slide.)

MR. O'CONNELL: So, you know, cost recovery is a new thing for the state of Maryland. It is a new thing for most states in this country. We are one of the few that have initiated this process but fortunately, we are not the only ones doing it.

Jorge had a great suggestion early on following sessions that, you know, we should look and see what other countries that have already implemented cost recovery are doing. What are the best practices in applying cost recovery?

Australia and New Zealand are the first countries to fully implement cost recovery.

Jorge did a thorough evaluation of how they have done it and that was included as a handout that you received last week. The fisheries in these countries have shown that cost recovery has led to sustainable and profitable fisheries.

Jorge also provided some information to look at management costs as a percent of the dockside value from a commercial fishery and for these countries, that cost is about nine percent.

So your management costs for managing commercial fisheries in these other countries that implemented cost recovery is nine percent of the dockside value. It will be something -- it is going to be something that we look at when we complete our analysis because we expect that --- there will be a question as to our management costs too high.

We will be able to compare it to not only these countries but other countries in the world including the United States as a whole. So we have looked to adopt this approach to our cost recovery analysis. Next slide.

(Slide.)

MR. O'CONNELL: So these best practices from other countries comes down to a simple rule that answers the question who pays for what? The user group that drives the need for a specific management service should pay for it.

If you are doing something for the Recreational Fishery, the Recreational Fishermen should pay for it. If you are doing something to support the Commercial Fisheries Management, the Commercial Fishery should pay for it. A new concept is related to public goods.

There are activities that Fishery Service does that we would do regardless of whether or not we had a Commercial and Recreational Fishery. Just our overall mission to ensure that Maryland's Fisheries resources are sustained for the benefits of future generations.

That requires a certain monitoring and assessment programs, water quality and monitoring and environmental review. Those are things that that not only benefit fishermen but the broader society and that would be a justification for how a general fund should be applied.

General funds collected from general taxpayers should cover those things that are benefitting the broader society. So, you know, the rationale here is that the different sectors paying proportionate to the benefits they receive. Next slide.

(Slide.)

MR. O'CONNELL: So some of the benefits of cost recover, it establishes a link between what Fisheries Management is worth to the different user groups and what it costs. It creates incentives for cost effectiveness.

As we look at developing alternative management systems, particularly for the Commercial Fishery, there is an incentive to find systems that are cost effective because it is the fishermen that are going to have to pay for those costs.

Up until now, there has not been a lot of focus on that because the costs have been covered largely by general funds. So this is a new way of thinking that, you know, some of the groups we have been working with the commercial fishing industry are starting to look at it recognizing that they are the ones that are paying for it.

Part of this bill was giving us the authority to charge the tagging costs and the hauling services to the watermen. They are now seeing there is a benefit to a system that reduces the amount of tags being purchased each year because they are the ones paying for it.

It provides a shift from focusing on short-term cost cutting to a long-term view. You are not just looking for how are we going to cover it this year. How are we going to reduce our budget given, you know, where the state budget situation is?

It provides a more long-term view that will benefit not only the management but also the stakeholders.

(Slide.)

MR. O'CONNELL: So I am going to explain to you know

the methodology that we are applying to our budget, and the things that are highlighted in that kind of yellowish-green are things that are different than what we did in our preliminary Cost Recovery Analysis.

So the first one. The first thing we did was -- and we did this -- we did part of this last time. we looked at what are the user groups that we wanted to assign costs to and we looked at Inland Recreational, Tidal Recreational, Commercial and Aquaculture. Those were the four components that we looked at last winter.

For this current analysis, we have add the community aspect. We have gone through our budget and we have assigned a cost to the community as a basis to a utilization of our general funds. So that was a little different.

Step two, we have gone through all of our employees in Fishery Service, which is now about 160, and we have allocated their salary to the user group for which the work they perform benefits. It can be a combination.

You know, a lot of our staff do things that benefit a multitude of sectors, not just Inland or Tidal Rec or Commercial -- but we have gone through all of our salaries. We did this last winter but because of our time constraints, it was done at a very high level of myself and some senior management.

This time, we went down to a lower level within our

organization, the division managers and sometimes program managers, which know more detail as to what these employees are doing. So it was basically a fine-tuning of the allocation of salaries.

Step three was -- so we have covered the salaries. Now we have our operations and we have gone through the majority of our budget line by line and allocated each line item by these user groups; Recreational, Commercial, Aquaculture or Community.

The last time, what we did was we took the allocations from the salaries and applied those allocations to the operations. So this was another fine-tuning because we went into the operations and did this allocation. Next slide.

(Slide.)

MR. O'CONNELL: This is pretty small here. You do not really need to see the detail but this was just to give you a sense of what I am describing to you did not take just take a few hours. It took an enormous amount of time with Jorge, Gina and each of our division managers and some of their program managers.

This right here is a level three. Some of you guys are going to get more familiar with our budgets. QN, which is blue crab -- so this is a Blue Crab Program. We have a specific level three for blue crabs, and this is a hypothetical allocation.

It is not, you know, where we are right now but I went through each of our line items within the Blue Crab Program and I took the budgeted line item and we looked to see what is this money being used for and who is benefitting and depending on who it benefited, we allocated a cost associated with that.

Just for example. Blue crabs, it is estimated that 8 to 10 percent of the harvest is caught by recreational fishermen. So situations like this, and striped bass, we looked at using the allocation formula to assign a cost to the different users.

So this situation -- and I know it says 50 percent tidal and 50 percent commercial but in the reality, we would be looking at applying the allocation of about 8 to 10 percent to the cost of the Tidal Recreational, and the other costs assigned to the Commercial.

You have seen the blue at the end. There is a community aspect and at that line item, the task by that budget line item benefitted the broader community -- the society.

We answered that question "yes" and "no." If it was a yes, we determined what percentage of that budget should be assigned to the broader community. So we went through most of our budget, the big budget items, and completed this task.

MR. GRACIE: Before you go away. When you say this

is a hypothetical, what do you mean by that?

MR. O'CONNELL: So, if you look at -- and you may not be able to see but the gray areas, it may say, "Zero percent." Zero percent of that cost was assigned to Inland Recreational because we do not find crabs in the inland waters, but it did not look at Tidal Recreational.

That first line item, it says, "50 percent Tidal Rec, Commercial 50 percent." That is hypothetical. In reality, we would have assigned that more on the allocation scenario.

MR. GRACIE: Right. Okay.

MR. O'CONNELL: Then the green area I did not cover yet. The green area -- we further subdivided the commercial into four categories; blue crabs, striped bass, oyster and all the other commercial fisheries.

So if the commercial fishery received an assigned cost, we then assigned that cost within subcategories of the commercial fishery because that is going to be very helpful as we look at license fee structures, where that cost should be absorbed.

MR. GRACIE: Okay. Thank you.

MR. O'CONNELL: Next slide.

(Slide.)

MR. O'CONNELL: So this is just an example of our salaries. So you look at each employee, you look at their

salary, you look at their overhead and then you discuss what that -- what job that employee is doing and you allocate that by the same categories that I previously reviewed, including the community. Next slide.

(Slide.)

MR. O'CONNELL: Another thing that is different. We talked a little bit, Carol brought it up, is that there is money that comes off the top of our Fishery Service budget that goes to other units; Office of the Secretary, Licensing, Natural Resources Police.

The previous analysis that we did last winter, we did not have the time to have the discussion with these other units to determine how that money is used for the different users. That was not -- that part of our budget was not part of our previous analysis.

Jorge has spent a lot of time with NRP and Licensing to get their input as to how their costs should be assigned. This is an example of Natural Resources Police. We are fortunate that they log the hours of their work.

So they were able to report out what percentage of their time is applied to those categories; non-tidal recreational, tidal recreational, commercial and then some subcategories within commercial. Interestingly, if you group the two recreational categories together you are at about 74 percent.

So about 74 percent of the time NRP enforces fisheries issues, it is being applied to recreational fishing and about 26 percent to commercial. That was information we did not have last time and it is going to allow us to incorporate that component of the budget and assign those costs accordingly. Next.

(Slide.)

MR. O'CONNELL: We did that also with licensing. Our service centers that issued licensing, we did that similar analysis. Let's see.

MR. GRACIE: Was there some reason those percentages do not add to 100?

MR. O'CONNELL: Go back, Marty.

(Slide.)

MR. O'CONNELL: The reason they do not -- if you add the first 3 --

MR. GRACIE: Okay.

MR. : --- three ---.

MR. O'CONNELL: -- and then that 26.3 percent is then subdivided into crab --

MR. GRACIE: Okay.

MR. O'CONNELL: -- finfish and shellfish.

MR. GRACIE: Thank you.

MR. O'CONNELL: Then what is not shown -- Marty, if you go back.

(Slide.)

MR. O'CONNELL: If you add crab, finfish and shellfish, that does not add to 100 percent because there is an "other" category ii assume right?

MR. : Yes. It is up there.

MR. O'CONNELL: Is that true, Jorge?

(Simultaneous discussion.)

MR. GRACIE: Okay. Okay. 26.3. Gotcha.

(Simultaneous discussion.)

MS. : They did not breakdown ---.

MR. : All right.

MR. GRACIE: It adds up to 26.3.

MR. O'CONNELL: Going forward. Not much more.

(Slide.)

MR. O'CONNELL: So then we looked, you know, what are our current sources of funding corresponding to each group. So now we had the costs. We know what it costs for Inland Recreational Management, Tidal, Commercial, Aquaculture.

So now we look at, you know, what are the sources that come in. So we looked at for Inland. We look at the special funds. We look at the FMP money, the money that comes in from Inland License Sales. We look at the --- money, the excise tax and sports fishing equipment that comes about and assigned to Inland Fisheries.

We look at what those revenues are and then we will be able to see this is the cost. This is the revenues. This is where that sector is in regards to cost recovery. So we do that for each management sector.

For the community aspect, we are going to have a cost of, you know, what is the cost of our services that benefit the community and back to this general fund fairly and reasonably. I think it is maybe a point of our discussion but I think a good use of our general funds is to cover those things that benefit the broader community.

Then if there is a surplus of general funds, we get into a discussion of how should that surplus be applied to the other sectors. If there is a shortage, that is another discussion.

Step six is basically what I just said. We determine, you know, where each sector is in regards to cost recovery and if additional funds are needed, then that is going to provide us the foundation as to where we need to have the next round of discussions.

It just shows that -- if shows what our preliminary analysis showed, that the Commercial Fishery is falling short, then we need to have -- start having some focus discussions with the commercial fishing industry to discuss how could their fees be adjusted to address their little cost recovery and our budget deficit. Next slide.

(Slide.)

MR. O'CONNELL: Where we are in the process, we received the approved budget for FY '13 last week. That is one of the reasons that we were not able to provide you the results. They were in the process of, you know, implementing what I just reviewed to you for the '13 budget.

Let's see. We have also -- looking at our FY '13 -- yes, we are incorporating some of the budget cuts that were implemented in our '13 budget and looking at the community aspect that was not included in our preliminary study.

We hope to have the results available in the coming month and we are looking to present those at a joint commission meeting in early August. Marty has contacted you about three potential dates.

Then we will be looking to use those results to determine how we go forward from that step forward recognizing that we need to have a report done by October 1. So, you know, what level of -- you know, depending on where the low level cost recovery is, what meetings we need to begin having.

Ultimately, we need to bring it back to both commissions probably in September. We probably need to be looking at scheduling a September meeting, because we do not have one right now, so that everyone gets an opportunity to review and have some input into the report that is due October 1.

That is it right now. So, an opportunity for some questions -- some discussion on where we are with this.

MR. GRACIE: Ed?

Questions and Answers

MR. GRACIE: You are next, Ed.

MR. O'BRIEN: Go ahead, Greg.

MR. GRACIE: Okay. Go ahead, Greg.

MR. JETTON: Yes. I was just going to say. I am tickled right to death you have added that community aspect in there. I was going to bring that up because there are untold thousands of people in the state of Maryland that are --

(Simultaneous discussion.)

MR. GRACIE: Can I have one meeting at a time please?

MR. JETTON: -- benefitting from our fisheries --

MR. GRACIE: Thank you.

MR. JETTON: -- that never pay a dime into your budget at all. People in restaurants, to some extent, charter cat -- the people we carry as clients, that kind of thing, and I just -- I am tickled to death you are figuring it out because all those people pay state income tax into a general fund and I was going to bring that up and now I do not have to. So, thank you.

MR. O'CONNELL: We are, you know -- if you look at across the DNR units, we are fortunate to have general funds.

If you look at our counterparts in wildlife, I think they have like a quarter of a million dollars in general funds. So they are entirely dependent on user fees.

MR. JETTON: Yes. So I think -- that just needs to be looked at and followed through very carefully because there's a -- there are a lot more than just the user groups that are benefitting from the bounty.

MR. GRACIE: Ed?

MR. O'BRIEN: Yes. Well, that is one part of it but from a general management standpoint, Tom, I want to compliment you on this. The first time we talked, you were alluding to some that are in this plan right now. That goes back a couple of years but you have given us the wherewithal to communicate with you better.

I am talking about stakeholder groups and the Commission and, you know, we are not accountants and we are not investigators and we should not be, but this gets us on a -- on a level playing field to be able to follow-up and communicate with you about the general things that we need to talk to you about.

So interesting to see how this does develop. It looks great to me --

MR. O'CONNELL: Thanks.

MR. O'BRIEN: -- so I compliment DNR on this.

MR. O'CONNELL: I appreciate it and I appreciate the

team behind me.

MR. GRACIE: Thank you. David?

MR. DAVID SMITH: I am just going off of what Greg said on the community aspect. I think you do need to -- I do not know if this is what you meant but be careful when you do that because I think there might be a tendency there to over exaggerate or rely too heavily on that in the general funds and that might be a bigger portion of what your management costs are.

I guess I am just trying to figure out how you are going to determine what the Fisheries Management is worth to that and then what it costs. I just -- that will be interesting to see. I think it might be --

MR. O'CONNELL: Yes. I mean it may be something to think about and see where you fall in. I mean you are very interested in striped bass, so I will just ask the question. So our striped bass programs that are focusing on monitoring and assessing the sustainability of that population, you know, should any of that cost be assigned to the community?

If you answer that question yes, you know, what is the appropriate percentage to charge to the community and you think about like environmental review types of programs. You know, obviously fishermen should contribute to both of those but there is an overall community benefit. What is the right percentage that should be applied?

MR. JETTON: Take water quality for instance. There are people that swim at the beach at Betterton that never paid a dime but that water quality is important to them. So that is part of your general fund too and you have got to consider all that -- where all that is going in.

That is the kind of thing I am coming at is that there are other programs is the general fund ought to come back to that definitely.

MR. O'CONNELL: So as we have gone through this analysis, you know, some of that can be subjective but as we have gone through it, we have added our comments as we have discussed each one. So if somebody asks, we can provide our perspective on the percentage that we attributed to the community.

MR. JETTON: That water quality testing, in addition to benefiting those people at the beach, benefits the guy that is catching striped bass because water quality, we all know, has been a big issue for us. So that general fund has got to come in -- has got to come in to us and got to be accounted for.

MR. GRACIE: It actually helps us make the case with our legislators why there should be general fund money coming into Fisheries because whenever times get tough, our experience in the past is that they want to cut the general fund money and try to run this department on special funds.

So it helps us make the case that there is general -- the general population benefits from it, so there should be some general fund revenue in there.

MS. STEVENSON: One of the -- excuse me.

MR. GRACIE: Carol?

MS. STEVENSON: One of the real critical components in here is going to be estimating -- or taking a look at historical trends and then predicting those trends in the future because that is going to be the basis of your cost recovery and we do not know in the future what it is going to be.

It looked like recreational license revenues are declining for whatever reason. Are they going to stay that way? The commercial, are they going to stay that way or are they going to rise?

So I think it -- I would like to see more maybe in the future about the trends that we have seen in the recreational/commercial so that that will be the basis for assigning costs -- or that would be revenue on which you will recover your costs.

MR. O'CONNELL: Yes, and then we have begun, you know -- as we look at what is our target for '14, we are trying to get realistic as what we expect to get from the license revenues and trying to build our budget accordingly so that, you know --

MS. STEVENSON: You have got a two year timeline

MR. O'CONNELL: Yes. Yes.

MS. HUNT: If we take a three year average usually when we request that ---.

MR. O'CONNELL: Yes.

MS. HUNT: --- you know --- we take a three year average --- licenses.

MR. O'CONNELL: Do you want to add anything? I was asking Jorge -- I mean he spent a lot of time on this so I do not know if you -- if there is anything I missed that you think that is important that you would like --

MR. HOLZER: You did a good job and I think any --- questions you have on this idea of community and --- is to charge the community for some of the ---. You had made some comments --- will be charging to come up with the share that communities should pay but I think --- in terms of getting to a very educated guess and what those benefits are.

In future we --- think of a survey, we will assign surveys to be --- what those numbers are but for now, I think, the team has done a good job.

MR. GRACIE: Any other questions or comments for the commissioners?

MR. DAWSON: Jim, if I could just make one comment is that, you know, in the face of what has been happening in the state budget, this work that has been done here has not

been done across the department.

It is really groundbreaking work and, you know, Tom and his group have done a tremendous job and, you know, they should be applauded for the work they have done to this point. There is still more work to be done as far as filling in all the details but I think it is -- it will give you a tremendous insight on how we need to move forward.

We certainly thank you for your support and guidance.

MR. GRACIE: I do not think that we realized that none of the other divisions in DNR were ---.

MR. DAWSON: Well I mean, you know, Jim, it has not really been anything that has been a necessity --

MR. GRACIE: Right.

MR. DAWSON: -- you know, when you start to get into a level of limitations that we have in general funds and you are in the need to increase fees, then you really have to be able to create a system that is going to allow you to lay this level of detail out in order to be able to affectively make the case.

MR. GRACIE: Right.

MR. DAWSON: Boating is going through similar exercises, as well as wildlife but it is very challenging. So in any case, they have done a great job and Tom has really led this effort.

MR. GRACIE: Great.

MR. O'CONNELL: Thanks.

MR. GRACIE: Ed O'Brien.

MR. O'BRIEN: I am going to continue the happiness conversation.

(Laughter.)

MR. : I am going to record this and play it back every day.

(Laughter.)

MR. O'BRIEN: That is not normal for me maybe but I do -- based upon our latest conflicts that we have had that have come out in this forum, I am lazy. I deal at the top and I have gone to the top of NOAA, which is easy, Fish and Wildlife, and certainly, the Atlantic States Marine Fisheries Commission, which is going through some flux right now in management.

I can tell you that Maryland is highly thought of in all of these forums. We have our warts. We have our problems but we are looked at as pathfinders in ASMFC. Let's take enforcement. Who really generated further focus on this? Maryland did it.

So there are a lot of things that we are doing right and I just think we are on the right path at -- and I would like to comment here, you know, just some recent discussions with some Atlantic States Marine Fisheries personnel -- I mean

I am real proud of the fact that Bill Windley got an award and certainly what you all have done as commissioners.

That gets to the bottom line when you get to ASMFC. So, you know, we ask a lot of things of you have got to be very definitive as to what is practical when it comes to this kind of plan you have laid out and maybe we can fight about that a little bit but I do not think we should be getting into minute detail of your charge.

You have given us a conversational capability and ammunition that we did not have before. So, anyway.

MR. GRACIE: Anything else?

(No response.)

MR. GRACIE: Then we move on to ASMFC.

MR. O'CONNELL: Yes.

MR. GRACIE: Okay. Are you doing that one?

MR. O'CONNELL: Lynn and I are going to tag team.

Atlantic States Marine Fisheries Commission Summer Meeting Preview

by Tom O'Connell and Lynn Fegley, MD DNR Fisheries Service

MR. O'CONNELL: You guys have been listening to me for a few minutes. So before I cover a couple of them, I am going to hand it over to Lynn. She is prettier than me and more enjoyable to listen to.

She is going to bring you guys up to speed on Menhaden. Then I will cover probably striped bass. Those are the two big items for the coming meeting.

MS. FEGLEY: Okay. The Atlantic Menhaden -- and to just -- as you know, Bill over there is also one of our Maryland's commissioners so feel free to jump in. The upcoming meeting for Menhaden, the task before the board is going to be to approve draft amendment two to go out for public comment.

This is the document that is supposed to contain a suite of management scenarios and harvest measures to constrain Menhaden harvest to new more conservative reference points. So it really should contain a suite of options, including how much Menhaden harvest should be reduced and the timeline for which the Menhaden population will be rebuilt.

There have been -- and to back up, the genesis of this was at the November meeting in Boston, if you all remember, the board moved to adopt more conservative reference points for Menhaden. One of the things that happened at that meeting was the board made those decisions based on the outcome of an assessment that went through 2008.

This summer -- and the board considered that when that assessment was updated this summer, that there would be more accurate information on how to construct these harvest scenarios, harvest reductions, et cetera.

That assessment update has been completed this summer. They added three additional years of data, 2009, 2010 and 2011, and there wound up being instability in the model

and concerns that arose and basically resulted in the scientists undermining the scientists' ability to advise the management board on action.

So essentially, what has happened here is that the rug has been somewhat yanked out from underneath the board's feet. There is a lot of conversation happening. The management board responded to the Technical Committee by asking them to take a step back from this model and use qualitative and quantitative data to advise the board.

So it is what -- so the bottom line here is that the task of the board is going to be to approve this amendment. The scientists will likely advise the board that yes, we probably are overfishing but we do not know by how much. What that does is it makes it very difficult to determine exactly what those reductions are going to be.

The scientists will say, "Yes. We have some other concerns like the lack of older fish in the population" but it -- and additionally what they will do is present to the board some alternative management scenarios that are used by the federal councils to manage in data poor situations.

So it is a little bit of a conundrum. The trick is going to be to keep the thing moving forward -- the amendment. There is no sign that the amendment will not go forward but it is going to be another yet again interesting meeting and if anybody understood anything I just said, feel free to ask

questions.

(Laughter.)

Questions and Answers

MR. GRACIE: Bill Windley.

MR. WINDLEY: I attended the two day Technical Committee in Charleston the week before last and I am inclined to agree with Lynn. That is going to throw a real monkey wrench in the works.

In other words, what they are telling them is we cannot tell you how much to cut back on harvest because our model is not telling us accurate information. There were two factions and I would like say that, you know, our people --- particularly fall very hard to keep what was viable in this current model on the table so that we could, you know, use it to advise the board but it was in the minority.

The people that actually usually handled the model, the Beaufort Labs, all those people who work very close with the industry were very strongly in favor of not going to the board with anything finite.

There was some talk of our using just sort of off the cuff advice based on what they assume is going on but it does not look like it looked a year ago that --- this summer. We would have a meeting and we would adopt cuts. It is not going to happen in this meeting I do not believe.

MR. GRACIE: Bill Goldsborough.

MR. GOLDSBOROUGH: Yes. Well, Bill is right, of course, that the updated assessment has got a big shadow over it now but everybody should be aware -- or focused on Lynn's comment that actually the board is being presented with that and two other options for basing next year's cutbacks on.

So you have got the updated assessment. They just added three more years of data to and everyone should know that the output from that really was -- fishing mortality is shooting way up. I mean way up.

MS. FEGLEY: It was extremely high.

MR. GOLDSBOROUGH: Extremely high.

MS. FEGLEY: It was about -- it was -- was it almost three times the threshold?

MR. GOLDSBOROUGH: Yes.

MS. FEGLEY: Yes.

MR. GOLDSBOROUGH: Yes.

MS. FEGLEY: It was extremely high.

MR. GOLDSBOROUGH: With this great degree of uncertainty and issues -- well, I mean it was unrealistically high but it was up. It was not down. So just based on that, I think we should not doubt that there is a problem with this fish and this stock.

We do need to cut back to turn it around but the other two options are still very viable and one that is almost automatic in these situations is the second one and that is

dropping back to the previous benchmark assessment which is only two years old.

So we can go with that and I do not -- that will give a basis for prescribing certain cutbacks to try and move us in the direction of a threshold next year. Or we can go with this ad-hoc approach, the third one that Lynn described, which is used at the Fisheries Management councils.

Really, all they need with that is a catch history. We have that with Menhaden. Then there is the big debate about what kind of multiplier you apply to the catch history, but the guy that did the analysis of that for the Technical Committee is the technical guy from Maine.

Maine has been very reluctant in the last year or so to cut back on the Menhaden fishery because they depend on that bait for the lobster industry but what he came up with, applying the same criteria they do in the federal councils, is a 0.75 multiplier.

In other words, you need to cut back on the recent average harvest by 25 percent in the first year to move us towards the threshold. The other big piece -- but that will be up for debate.

The other big piece of it is the arguments that omega protein largely, and their consultants and scientists and lawyers have been making is, because this is so unreliable, this updated assessment.

We ought to move up the next benchmark assessment where they evaluate the model, they look at alternative models, they possibly make changes in the model and the data inputs and everything and then they run it and then they have a peer review.

That is normally done every six years. Like I said, the last one was two years ago. The next one would not be available normally until 2016 but they are probably going to move that up to next year.

I think, if I can be candid here, the strategy at work is to say not only do we need to move that up, but we need to wait until that is available before we can take any action. That is patently obvious I would say.

So what we need to try and do, and what I think the board is intent on doing talking to a lot of them, is do that for the sake of improving the science as soon as we can, as hard as it is because there is a big long schedule and waiting line to do those benchmarks, but also apply one of these three options that we have as a basis for cut backs next year because we know we have got to do that to move us in the direction of a threshold.

We know we need to move in that direction. So I am not as pessimistic actually as I was initially on this. I have been going to all the Technical Committee meetings and tuning into all the Webinars.

I am astounded by the level of misinformation, influence, goading and lobbying and whatever you want to call it that has been coming out of omega proteins people. They hired the guy that used to be the boss of the guy that runs the model -- the architect of the model in Beaufort Lab.

He basically -- him and the other guy they hired basically dominated the first Technical Committee meeting in May on this. It was unbelievable and there has been a lot of negative feedback about that and this is pretty --

MR. GRACIE: So, you think they overplayed --

MR. GOLDSBOROUGH: -- pretty well known.

MR. GRACIE: -- their hand on that and that helped?

MR. GOLDSBOROUGH: I think they did overplay --

MR. GRACIE: Yes.

MR. GOLDSBOROUGH: -- their hand. That is well said, Jim. Yes. So, we will see --

MR. : Good job.

MR. GOLDSBOROUGH: -- but we have got to keep the pressure on it.

MR. GRACIE: Bill Windley.

MR. WINDLEY: Just in the interest of clarity, that meeting was in Raleigh the week I was before I was Charleston --- I kind of -- I was on the road so much I kind of got lost.

(Laughter.)

MR. GRACIE: Did you have a comment Ed O'Brien?

MR. O'BRIEN: Yes. I work it in here -- I was going to say it earlier. You know when it comes to recreational fishing, particularly charter boat operators, this whole catch air thing and sector separation dwarfs everything else we are facing now.

I want to -- I appreciate the fact Steve Linhard is here. He is our man on the council, he and Howard King, and somebody who I have been able to communicate with my worries and Maryland has, so far, --- this from us but, you know, we are working very closely with the National Association, with the RFA and the CCA in opposition to this.

It is really a subject of intense controversy in the Gulf in Alaska so we are going to be dealing with it sometime soon but I wanted to recognize Steve for being here and that represents some strength of our -- the teamwork that we have here in Maryland.

MR. GRACIE: Bill Goldsborough?

MR. GOLDSBOROUGH: Yes. There is one other subject in connection to the Menhaden issue that this board is going to -- not this board but the Menhaden board is going to have to come to grips with, and that is allocation. It had not really dealt with that yet.

How are you going to allocate the cut backs or looking at it conversely, how are going to allocate this new quota essentially that they are probably going to have between

the reduction industry, the industrial fishery based in Reedville that takes 80 percent of the --- catch and the bait fishery that takes the other 20 percent, which is spread along the whole coast and is actually in two parts.

There are a small scale guys, like our pound netters, that are insure, fixed gear, multispecies where it would be very difficult, if not impossible, to try and apply some kind of a catch limit on how many Menhaden they take. It would shut them down in some instances.

Then you have got the large scale big guys that are off shore, mobile gear, usually mid-water troll or smaller pursings, and they supply bait to the lobster industry, to the recreational fisheries and lots of other fisheries.

So both of those, the small and large scale big guys, are intimately entwined with all the other -- or many other fisheries up and down the coast, commercial and recreational, managed by ASMFC and not, like the blue crab here.

Then you have got this vertically integrated industrial fishery that is one company in one state in one town that is taking 80 percent of the coast-wide catch. So how you come to grips with -- how are you going to allocate from here on out with that kind of a situation?

I will tell you, to me as I think about it logically, I do not think you should take any cuts out of the

small scale fixed gear guys because it is impractical, for one, and two, they are only two percent of the coast-wide catch.

I think you put a cap on the large scale bait guys because they have grown a little bit in recent years and create -- in response to increased demand but they said they do not need to grow anymore.

Then you take all the cuts out of the reduction industry and I think that is justified because even once you do that, they will still be the largest sector coast-wide and how can that be unfair. So that is a concept that I have been talking up a little bit.

I do not know if it has got any possibility at all. There are legal questions there but just be aware that this allocation question is out there and has yet to be dealt with.

MR. GRACIE: Thank you, Bill. Any other comments?

(No response.)

MR. GRACIE: --- Ed.

MR. O'BRIEN: Thanks.

MR. GRACIE: Okay.

MR. O'CONNELL: I have a couple --- on ASMFC.

MR. GRACIE: Go ahead.

MR. O'CONNELL: So just to complete the picture on ASMFC. Probably the other noteworthy item to mention is striped bass. The board initiated a draft addendum that

focused on enforcement issues that came about from the state and federal task force on the southern Maryland poaching case.

The draft addendum went out for public review this early summer and the board is meeting to review that public input and to make the final decision and hopefully that will put in place standards for all the states along the Atlantic Coast to adhere by and will help address these illegal activities and make it easier for law enforcement.

I was going to -- just a -- I do not know -- I know Ed mentioned Steve Linhard but I do not know if -- Steve, just raise your hand. Steve is one of Maryland's Mid Atlantic Fishery Management Council, along with former director Howard King and Mike Luisi.

I think it is appropriate to recognize their efforts at Mid Atlantic Fishery Management Council that relate to river herring. About a month ago, there was a meeting that addressed bycatch of river herring in federal waters and you may recall our river herring fisheries are closed, along with many states along the Atlantic Coast.

That was some sacrifice to fishermen but it provided us leverage to go to the federal water issue and it was great work by Steve, Mike and Howard to get some positive movement out in federal waters which is a, you know, big component of the mortality by river herring. So I appreciate that.

Just listening to Bill Goldsborough, listening to

his passion on Menhaden, his integrity and his high level of excellence are attributes of Bill. It reminded me just recently, since we last met, that Bill got the Sportsmen's Best Friend of the Year Award at the Maryland Legislative Sportsmen's Foundation dinner and was well deserving, Bill.

I appreciate all the work you guys are doing -- you are doing with the team of people on Menhaden. It is not an easy one.

MR. GOLDSBOROUGH: Thanks.

MR. O'CONNELL: Last item is you may have heard that Vince O'Shea, the former executive director at ASMFC, was asked to step down. He was there for 10 years. He made significant accomplishments for the Commission but the Policy Board determined it was an appropriate time to look for new leadership.

They are currently recruiting for a new executive director and hope to have a person selected by -- at their -- probably soon after their fall meeting in late October.

Thanks, Jim.

MR. GRACIE: Okay. We have a pound net discussion.

MR. O'CONNELL: Yes. Mike Luisi.

MR. GRACIE: Okay. Mike?

MR. LUISI: Yes.

Pound Net White Paper

by Mike Luisi, MD DNR Fisheries Service

MR. LUISI: Good afternoon. I am happy to report to all of you that we -- and you have it in your packets. We have been able to finalize a task that was given to us by this Commission back in November of 2011 when the request came down for us to put together a Pound Net White Paper -- to kind of get into a whole bunch of different issues regarding the setting of pound nets in the Chesapeake Bay and the tidal tributaries during the winter/spring season.

So you guys have that in your packets, I believe, and it was distributed last week for all of you to hopefully have an opportunity to read through it. So, you know, in light of time I thought I would spend a few minutes just identifying some of the main points -- some of the main topics of the paper and then kind of open up the table for discussion if you have any questions regarding what was -- what we were able to find.

So what you will find in this is a pretty thorough description of Maryland's pound net fishery. It gets into all the details of what -- about what a pound net is and where they are set and it includes trends in striped bass quota and harvest over time in years prior to and after the moratorium.

It talks -- there is information about work that was conducted in the past between like the mid-'90's to the early

2000's. Looking at the impacts, the biological impacts, of fish that were taken out of pound nets, what some of the mortality associated with those fish was based on tagging work that was done by our staff.

So the report gets into that. What I can conclude from that -- and I will keep it simple. Over the years that the tagging work was done, tagging mortality and the associated levels of mortality are important in understanding so when fish are tagged some fish may succumb to death.

So for years -- and over the course of those years, thousands and thousands of fish were tagged. A couple of studies looking the retention rate of the tags and the mortality associated with those tags were completed.

What that resulted in was a pretty low level of mortality from fish that were captured from pound nets, were tagged and place into net pens for inspection over time. There was also control groups used in that approach. So some of the fish that were taken from the nets were not tagged and they were placed in those nets, as well.

So what we were -- what the report and what the work was able to conclude is that it is at about 2 percent -- 1.5 to 2 percent mortality rate, you know, during that project. Now although the mortality rate is low, some of the things that we do not know, and were unable to know, are what some of the sub-lethal impacts and sub-lethal affects are on fish that

are trapped in a pound net and released by fishermen.

Just so we are clear, you know, during the time period for which this report was put together all of the data in here are looking at -- well, the report goes back five years in time. So from 2007 to 2011, all of the analysis was information that we collected from our commercial harvesters between January and May.

Now the pound net fishery does not open until June. So there are no fish being taken by commercial pound netters during that time. So we do not have any data or information about what the interactions between striped bass and pound nets are.

We can say that yes, there are interactions -- pound nets that are set in the Chesapeake Bay and in the tidal tributaries of the Bay are most likely interacting with striped bass during that time period as they are migrating into the rivers to spawn.

But there is information that we just do not have and that could be something that we work to try to gather, you know, into the future. So just to get back to the report itself, you will see that there is a general overview of just where the distribution of these nets is in the Bay -- where they were registered.

It also gets into the harvest characteristics of that time from January through May over the course of those

five years. Then harvests also looked at it as a -- and compared with dockside values so that you could see what the economic impact is of those -- of that pound net fishery operating during that time of the year.

One of the things we learned from this report and compiling the information was that we do need to get a better handle on nets that are -- when nets are set. Not how they are set but when they are set and which nets within a person's collage of nets is the ones that they are actively fishing.

You know, right now we do not require commercial fishermen to inform us of when a net is going to be set. They are only allowed to hold, under their license, eight registered sites.

So when you guys get online, if you look at a pound -- if you look at a map that the department has for pound nets in the Chesapeake Bay, it almost looks as if there are not any spots left around the Bay. I mean it is nothing but little dots everywhere but those dots are only the registered sites that a fisherman is allowed to set his nets at.

Each fisherman is allowed up to eight sites. I have done a lot of work with these guys and I do not know very many that set all eight. They usually, you know, set enough to -- in the good spots to places where they can, you know, catch the fish that they are looking for.

So it is difficult for us within this report -- and

I hope that it is clear. When we are referring to active nets in this report, what an active net was considered as -- it is a net that was reported by a fisherman on his monthly logbook report.

So the guys are required to submit to us how many nets they fished on any given day within the month that they are harvesting fish. So if a fisherman reported on his January log that he fished two and three nets, and maybe four nets one day, back to two nets another day, we took the highest value of those nets and assumed that those were his active nets during that particular month.

So he may have had eight nets but he has only had four of them set. That theory was applied all throughout this document and, you know, I think, like I was saying -- what I think we have learned from this is that we need to get a better handle on the amount of nets that are set in the Bay and the tributaries.

We are talking right now about putting some -- you know, putting a plan in place that would require fisherman to inform us prior to them setting their nets of the nets that they intend to set at a given time.

If they were to move them from one place to another, they would just be in -- they would have to inform us of that activity, which would allow us to kind of view -- get a better sense about what is actually out there on the water. Jim?

Questions and Answers

MR. GRACIE: A couple of questions here.

MR. LUISI: Sure.

MR. GRACIE: Probably everybody else understands this. Were they reporting day by day how many nets? In other words, we had four nets out on January 3rd and three nets out on January 4th. I mean is it broken down that way?

MR. LUISI: They are saying how many they fished on the report.

MR. O'CONNELL: By day though or by month?

MR. LUISI: By day.

MR. GRACIE: By day.

MR. LUISI: No. It is by day.

MR. GRACIE: So that if you are using the highest number by day then if anything, your report is an overstatement of the number of nets out there for the month.

MR. LUISI: If we are using the highest --

MR. GRACIE: If I understand what you have said -- yes.

MR. LUISI: The highest -- really what -- and again, we cannot break the information down.

MR. GRACIE: I understand.

MR. LUISI: If a fisherman reports on January 5th that they fished two nets and then they reported four nets the next day, we are taking the four nets as the highest amount of

active sites that he has nets out in -- with poles on it, you know -- nets on the poles.

He really could have had six nets. He fished two of them one day and four of them the next day.

MR. GRACIE: Okay.

MR. LUISI: But this is the information that we are unable to determine.

MR. GRACIE: So you cannot distinguish so --

MR. LUISI: We cannot distinguish that so --

MR. GRACIE: So you do not know -- so it could be an understatement or an overstatement.

MR. LUISI: It could be.

MR. GRACIE: Okay.

MR. LUISI: Yes.

MR. GRACIE: Okay.

MR. LUISI: So I think what this, you know -- this report looks at averages over five years' time and, you know, we are committed to, you know, looking at this. Lynn and I have talked about it.

Even with the Menhaden fishery, you know, understanding the effort that is being placed in the bay with pound nets is going to be an important -- something important for us to know as we are looking -- as it was just discussed how we are going to deal with a potential allocation in quota scenario for Menhaden.

So, you know, that is something that we are going to take on. We hope to get something -- we hope to get that initiated by 2013.

MR. GRACIE: So let me make sure I understand that you said.

MR. LUISI: Yes.

MR. GRACIE: Your proposal then is going to not only include the specific number of nets, but the locations where they being --

MR. LUISI: Right.

MR. GRACIE: --- and set. Okay.

MR. LUISI: A fisherman would respond to us after -- we would provide them a form for which all their nets would be identified. Then prior to setting any of them, they need to send that into us and we, you know, verify it and make sure that that was -- that they are going to be setting in the appropriate location.

So that is what we are looking to do in January -- by next year, 2013.

MR. GRACIE: To be implemented for 2013?

MR. LUISI: Yes.

MR. GRACIE: Okay.

MR. LUISI: It does not require a regulatory action.

MR. GRACIE: It doesn't?

MR. LUISI: So this would be something that we could

just -- we could do. It is another report that would be required by the department.

MR. GRACIE: You do not think anybody is going to test that?

(Laughter.)

MR. LUISI: Yes.

MR. GRACIE: That might be your question on somebody's mind whether or not you could do that without regulations.

MR. O'CONNELL: We can check with the AG's office.

MR. LUISI: Yes.

MR. GRACIE: Okay.

MR. LUISI: We had run that up the chain.

MR. JETTON: You used to certify the nets anyway right? So we use that.

MR. LUISI: Yes. We used to certify any new locations and that is something I did when I first got here. Any new net, we would physically go out on the boat and do it. We just do not have the staff --

MR. JETTON: Right. Right.

MR. LUISI: -- or the time anymore to do this.

MR. JETTON: So I do not see a problem with requiring them to tell you when they use -- set --- taking it.

MR. LUISI: I am not sure they are going to -- it is going to be much of pushback.

MR. JETTON: I do not think so.

MR. LUISI: I do not -- I am not anticipating a lot of fireworks with that. I have been wrong before.

(Laughter.)

MR. GRACIE: The concern that I am hearing about the pound nets is they are in spawning rivers when recreational fishermen cannot fish in spawning rivers and, you know, it just seems like an inequity.

MR. O'CONNELL: Just to clarify, recreational fishermen can fish in spawning rivers but if they begin intercepting striped bass, they are supposed to stop that activity and I think the --

MR. LUISI: You are correct.

MR. O'CONNELL: -- legitimate issue is --

MR. LUISI: You cannot proceed. Yes.

MR. O'CONNELL: If there is a pound net in a spawning river and they are interacting with striped bass at some level, should that net stay there or not?

MR. LUISI: Right.

MR. O'CONNELL: That is, I think, the issue.

MR. LUISI: That is the issue we are --

MR. GRACIE: If we do not know where they are, we cannot do much about it.

MR. O'CONNELL: If we do not know the level of interaction -- if there is a real problem that -- that is

intercepting a lot of fish --

MR. LUISI: We do not ask fishermen to report to us what they interact with or release.

MR. GRACIE: Right.

MR. LUISI: So we do not know where the interactions are and at what degree they are interacting with them, but I think the one important thing to know is that, you know, based on the work that were done -- done by the Fishery Service, it is understood that interactions with striped bass, based on the studies we have done, the mortality associated with that is pretty low.

At what -- just being released into the water but again --

MR. GRACIE: Yes, Mac down here. Mac and then Dave.

MR. : Yes. It the --

MR. LUISI: It is the un -- the sub-lethal impacts and affects that we are unclear -- we are not sure.

MR. GRACIE: Jim and then Dave.

MR. WOMMACK: Yes. Is it any way possible to cut down on the amount of nets that the watermen can have because on this little bay, I do not believe nothing no netter tell me so I --

(Laughter.)

Mr. WOMMACK: -- just cannot believe the data gonna be right on that deal so --

MR. LUISI: I do not know how many years ago it was, maybe five or six years ago. It used to be an unlimited amount of nets. We cut that down to eight nets expecting -- and some nets were -- some nets did disappear because people -- if a fisherman had 15 nets registered to him so he was not able to hold on to all of them.

But what we found through that requirement was that somebody's wife and children who have licenses would just absorb those extra nets so that we did not lose -- we were not as cut back as many as what we thought.

So, you know, to consider going down lower than eight, you know, it would be something to consider but I --

MS. HUNT: But it is a law.

MR. LUISI: I kind of feel like if you went --

MS. HUNT: That is a law.

MR. LUISI: Is it a law?

MS. HUNT: That is a law not regulation.

MR. LUISI: It would only just mean that there would be another person in the family or somebody else that would just take those on as a way of holding those locations. Many of the pound net sites that are registered are more for strategic placements so that other nets do not come.

You can only -- there is certain minimum distance requirements and things that you have to set. So if a guy is at a good spot, he is going to try to get everything else

around him so that nobody else can go where he is.

MR. GRACIE: Cannot intercept the fish that he was going to get.

MR. LUISI: Right.

MR. GRACIE: David?

MR. DAVID SMITH: I think we all read the report and we have our opinions on where the information is coming from and if those fish are -- if those nets are being actively fished when they are not supposed to be. I think we all have our ideas on that.

The issue like Jim summarized a little bit ago is there are nets in spawning rivers where recreational anglers -- they are allowed but are not allowed to actively target those fish.

If they do have to move the pound nets, my contention is that they are actively fishing striped bass and there is striped bass in there but then that goes back to you guys. We do not know the sub-lethal effect. That word comes up again and it is just -- we have heard that before and we have heard a number of the verbiage I see here.

We do not know the number of pound nets. We do not know the number of commercial watermen fishing those nets. We do not know the effort and the low level of mortality. All those resemble and exact meeting we had several years ago regarding catch and release and the actions we took with those

nets.

We made quick decisions. We got those -- we put regulation in place and I would suggest that we need to act as though it was the catch and release fishery on these nets and get those nets out of the river systems.

MR. GRACIE: Tom.

MR. O'CONNELL: I think there are a lot of similarities but there is one distinct difference is that regarding the pre-season catch and release fisher, there was evidence that the effort was increasing substantially.

I do not think we have any information to suggest that the level of pound net effort and interaction has increased. We were responding a lot towards the increased effort on that pre-season catch and release fisherman.

Not that there is not similarities but there is one distinct difference.

MR. LUISI: I do not -- and you are going to have to remind me. I do not recall what -- so what was the increase in catch and release fishery? What was that number?

MR. O'CONNELL: It has been awhile but I do not ---.

MR. GRACIE: I do not know that we had numbers. I think there was anecdotal evidence that there was a bit increase in a two year period. We saw a lot more boats out there. Lynn?

MS. FEGLEY: Yes. There were two -- it started with

anecdotal reports but we also looked at effort from the MRFSS. It was a --- survey number. So we could see from those numbers, that effort was climbing during that period. Now the catch and release period was only a subset of that but it was also the majority of that period.

So one could argue that perhaps that entire increasing effort happened during the final weeks that were the trophy season but the increase was substantive enough that it supposed the observations on the water that ---.

MR. GRACIE: I think that would have surprised the Charter boat Association if that were true that the increase was substantial just during the trophy season.

MS. HUNT: Well, it is private angler.

MR. GRACIE: Yes.

MS. HUNT: It is private angler.

MR. GRACIE: Yes. It was, yes.

(Simultaneous discussion.)

MR. GRACIE: Bill?

MR. WINDLEY: Question. I remember that the number of registered sites has been fixed? They were not licensing any new sites?

MR. LUISI: No. That is not correct.

MR. WINDLEY: That is not correct.

MR. LUISI: That is not correct. What we see is that there aren't very many new pound net fishermen. It is

about the same amount of people who have been doing it for years. We are not seeing a large increase in the number of fishermen.

But no, nets can be registered still at any time. A lot -- some guys will move their nets around to find better locations and there -- that is -- we do not have any type of cap on that.

What you might be thinking are -- there is a cap right now on the number of permits that can be declared as striped bass pound net permits due to issues that we had with gear allocations of this last couple of years so -- but that might be what you are thinking about.

MR. WINDLEY: Thank you.

MR. GRACIE: Dave?

MR. DAVID SMITH: I think there is a lot of anecdotal evidence that shows that these pound nets are catching striped bass during that time. So I think if we are going off of anecdotal evidence, I mean I think it parallels that catch and release and I think action needs to be taken to get those nets out of there.

I mean you hear from recreational anglers all the time, at least I do, that there is striped bass in those pound nets. They are actively fishing pound nets.

MR. GRACIE: Ed and then Greg.

MR. O'BRIEN: Could you give me a general sense of

where this anecdotal evidence is coming from? Who it is coming from?

MR. LUISI: I do not have a list of name but -- because I do not keep that but just general recreational angling community. I see it on Tidal Fish all the time. I see it on other forms that there are striped bass in pound nets.

MR. O'BRIEN: Yes, but if you have got something substantial on that use it but this gossip -- anecdotal gossip, you know, that does not get a change when it comes to this specific problem.

I agree it could be a problem and it does not accrue to any of you here now but I mean there was situation where pound nets really proliferated years ago and then the department came up with this eight net thing and they proliferated more to the real frustration of the classical pound netters, the guys who had been doing it.

They are the most outspoken now when it comes to the proliferation of pound nets. Sometimes they stay in the same place but they get bigger. So it is something that the department needs to look at.

I am confident they will because -- I mean right now, we have got -- it does not relate to the situation in the spring, but we have got this Cedar Point situation where the charter boats and the recreational fishermen down there are

going nuts because right in the middle of their best fishing ground coming out of Solomon's there is this pound net.

The Navy has tried to get on the side of the fishermen, you know, but it gets to be a legal matter and I think you are looking at that right now, aren't you Tom?

MR. O'CONNELL: Yes. It is kind of a separate issue but we do have a handout available that describes our process for reviewing and citing pound nets that we have prepared expecting this issue to come up today and we can, you know -- whether or not there is time today but we can always leave that --

MR. LUISI: Could you pass that around, Ed?

MR. O'CONNELL: -- with all of you because there is this issue that some of these nets are causing some user conflicts and, you know, how do we incorporate a review component of our process that helps identify these situations where we may want to take into consideration before we cite that net.

So Mike has got copies and we can distribute that before you guys leave.

MR. GRACIE: I think that would be useful. Greg, you had a comment or question?

MR. JETTON: Yes. Just I think there is a lot room for improvement here with the pound nets. I would agree with that 100 percent but as far as just arbitrarily trying to make

motion or something where these nets need to get out of spawning rivers, it is just not practical.

The difference in the fishery with catch and release we had was that was targeting one species. Tom pointed out another difference earlier. We are dragging them in with hooks and the hook can be anywhere, in the gut or in the lip or wherever, as opposed to a pound net.

If it is set, and they are not all set at this time -- but if it is set, it catches them alive and releases them alive. You have been there and that is how you guys tag and get some of survey results.

The guys that do catch them, I do not have a problem may be looking at study to see what the mortality rate or what the turn down rate is from these particular pound nets. But as far as arbitrarily banning, you are cutting out -- I was reading the Chester River catch.

95 percent of that catch was gizzard shad, Menhaden and catfish I think or something like that. So you would be cutting some people out of a viable springtime income to do that. I just do not think it is necessary.

MR. GRACIE: Dave and Dave.

MR. DAVID SMITH: Which Dave?

MR. GRACIE: You had -- I saw you first so you go first unless, of course, you --- get the last word.

MR. DAVID SMITH: Speaking of arbitrary and

anecdotal, I am not just making that decision process up. That decision process, those arbitrary and anecdotal have been used to make decisions on a recreational fishery before.

So if that is what we are going to do -- and I think in this case I can make the same argument using anecdotal and arbitrary information to get those pound nets out of there. Secondly, I think you made a point that it is not just targeting one species.

So it is targeting more than one specifies which could be an issue in itself. So I think we need to look at this is on how we have made decisions before and I think there is a real problem with this pound net. Just like people thought that there was a real problem with the catch and release season.

So based on that, I think we need to take action or discuss more on how we can resolve this issue.

MR. GRACIE: Greg, you had a comment real quick to --

MR. JETTON: Well, just strictly as far as targeting illegal species, I do not see how that -- you can make any argument there at all. Catfish are perfectly legal. So are perch at that time of year and --

MR. GRACIE: What did you mean when you said targeting --

MR. JETTON: Yes.

MR. GRACIE: -- many species could be more of a problem?

MR. DAVID SMITH: Just multiple species. I do not -- who knows what they are going to catch? It could be an endangered species. I do not know. I do not know.

MR. GRACIE: Bill, go ahead.

MR. GOLDSBOROUGH: I think I would just say we just put our finger on a key issue here is we need to know one, where the active nets are and two, what is being caught in the net by location. It seems to me that is basic Fishery Management information.

MR. DAVID SMITH: Right.

MR. GOLDSBOROUGH: I think the department is on the right track trying to get a handle on this and is probably headed towards that kind of conclusion. If we can help them get there, we should but I do not think that we have enough information to make a dramatic policy recommendation right now short of that kind of information.

MR. GRACIE: Go ahead, Tom and then I will let ---.

MR. O'CONNELL: I just want to clarify that in regards to the pre-season catch and release, the comment about anecdotal information, that is what triggered the evaluation of that issue but was not the foundation of that decision. It triggered a review.

We looked at the MRFSS information. We have

provided some, you know, information on catch -- on effort rates. We looked at the science in regards hook and mortality and we applied all that. It was not just based upon there is anecdotal information that efforts increased.

There was data that supported that anecdotal information that triggered issues. So we come to pound nets. There has been an issue that has been brought to our attention. We completed this study, and I really appreciate Paul and Butch Webb and Beth incorporated that into their current workloads.

So now we have a foundation of information and we agree that there is additional steps that are needed. We need to seek to understand. We need to get information on where the nets are active. We need to find out, you know, what the interactions are and review the science we have on the impacts of that interaction but we do not have all that information.

The report includes some recommendations and we just got to figure out how to go forward and we believe that we need to collect more information before, you know, restricting these nets from these rivers.

MR. DAVID SMITH: I wish we would have used that logic or approach during the catch and release.

MR. GRACIE: You guys want to have a back and forth, you do it after the meeting.

MR. DAVID SMITH: Thank you, Jim.

MR. GRACIE: Sikorski, thank you for your patience.

MR. SIKORSKI: You are welcome. There is no question pound net -- there is a lot of unknowns with pound nets and that is the majority -- that is ---. We do not, you know -- people would say that maybe the catch reports are not totally accurate. Striped bass are not to be reported unless they are landed in certain times of the year so the striped bass fishing is what? June 1 to December?

MR. : Yes. Close enough.

MR. SIKORSKI: So, you know, there is an issue. We are not sure what is going on in the spring. We are not sure. We are not sure. We are not sure. So we need to become more sure of what is going on. There is also conflict issues. Cedar Point -- I think there is one at Love Point some people are mad about this year.

So I know the department is looking into that and I commend you on that and thank you for that. There is a number of safety issues which exist with pound nets which are -- from all my time on the water, I notice those issues have existed.

There are a lot of nets which -- in net locations which are not following the rules. They are not marked. There are poles in the water at certain times of the year that are not supposed to be there. so that is another issue the department really needs to start the process to resolve.

The bottom line is we are tasked with managing all

these species and pound nets presents some issues just like a lot of our fisheries. So, you know, we need to fill in as many gaps with the information that we have as possible and make a concerted effort to move forward and clean up the fishery where there are issues.

MR. GRACIE: Thank you. Any other comments?

MR. O'CONNELL: One more.

MR. GRACIE: Go ahead, Tom.

MR. O'CONNELL: Brandon, who was not able to call in, did raise one question and I know staff looked into. It was pertaining to the information that report on mortality associated with striped bass and pound net and net enclosures. It was pertaining to a study in the flats.

I thought since Brandon did bring it up to Jim and I, Mike, if you could kind of report on as to what you and staff, you know, learned about that.

MR. LUISI: Yes, and I kind of -- I wish Brandon were here. The information exchanged back and forth, you know, there was some confusion as to what actual work and report he was referring to -- the work that was done.

What we have found was a report by the Marine Ventures Foundation. It was a 2001 Susquehanna Flats Striped Bass Study where fish were caught by hook and line by a number of --

MR. JETTON: I was part of that study.

MR. LUISI: Okay ---.

MR. WINDLEY: I was too.

MR. JETTON: Marty was too.

MR. LUISI: --- saying something.

MR. JETTON: --- up there.

MR. LUISI: All that I was able to determine from what staff provided me on this report -- I was not able to determine how -- this was a hook and line --

MR. JETTON: Yes.

MR. LUISI: -- catch and release.

MR. JETTON: We caught them with jigs ---.

MR. WINDLEY: Yes.

MR. JETTON: It was a study to determine the mortality of caught and released fish. It did not really have anything to do with pound net.

MR. LUISI: Right.

MS. HUNT: That was before the flats were opened.

MR. LUISI: Net pens were views to hold these fish --

MR. JETTON: Right.

MR. LUISI: -- but if we are talking the mortality associated with a fish just inside a pound net during a particular time of year of what happens to that fish when it is released from this -- from the net, this report -- this is hook and -- there are hooks involved with this one.

We would -- and there is a mention in here about the use of fish from pound nets but I cannot determine from the way it is out -- the way that it is reported how those fish --

MR. JETTON: I think there was a control group if I remember right.

MR. GRACIE: There was a control group. A fish control group.

MR. JETTON: Yes. Right, but --

MR. WINDLEY: We had to drop that because we had trouble transporting them.

MR. JETTON: That is right. We ---.

MR. WINDLEY: It was killing them transporting them.

MR. LUISI: Okay.

MR. JETTON: Yes. That is right. I forgot about that.

MR. LUISI: So there was trouble transporting the control group.

MR. JETTON: Yes, so it was kind of incomplete is basically what it boils --

MR. LUISI: Yes, and I mean -- I was not able to draw that from here but that is all that I was able to --

MR. GRACIE: Actually, I think Brandon participated in the study also at the time.

MR. LUISI: I am sure, yes. Yes.

MR. GRACIE: What I recall from the report was that

the mortality went up when the water temperature went up and that was a significant difference.

MR. LUISI: Yes. The mortality rose with the time -- the first two days of the study were on mid-April, then it went to early May and then mid-May -- mid to late May and it appears, just doing a quick look over this, that mortality increased in -- from 2 percent to 16 percent.

There really does not seem to be a trend as to whether they were smaller or larger fish.

MR. JETTON: But those were hook and line caught fish.

MR. LUISI: Those were hook and line caught fish.

MS. HUNT: I just wanted to add that those results are all summarized and they should be on our website archived in those catch and release presentations that we gave because we also applied that information to the catch and release ---.

MR. GRACIE: Thank you, Gina. Dave you --

MR. DAVID SMITH: What was the mortality rate you said earlier? I cannot find it. It was like one percent? Two percent?

MR. : 1.3 percent.

MR. DAVID SMITH: 1.3 percent.

MR. LUISI: In our report or -- it is in the introduction. It is maybe towards the end of the --

MR. DAVID SMITH: Yes. I think I found it. Yes.

MR. LUISI: Okay.

MR. DAVID SMITH: Thank you.

MR. LUISI: You are welcome. The last three sentences before the end of the introduction.

MR. DAVID SMITH: Gotcha.

MR. GRACIE: Okay. so when do you think we will hear something back from you on the approach you are going to use for documenting pound nets?

MR. LUISI: We can report back to you guys when we have a process in place but right now, what I am planning to do is to implement a -- implement an action that will require as of January 1st of 2013 pound netters, before they set a pound net, they just need to either fax in -- just inform us in some way of the nets that they intend to set during the year.

MR. GRACIE: I guess I am asking if the Commission will get some advance notice of when that happens so we can react to it and give you some feedback.

MR. LUISI: Sure.

MR. O'CONNELL: Marty, if you can just capture that as an action. That sounds like if the Commission agrees, they would like an opportunity to review the process for, you know, advancing some of these recommendations that came about from this Pound Net White Paper.

MR. GRACIE: All right. Is there anybody that

objects to that?

MR. DAVID SMITH: Would that also include recommendations by individual Commissioners on what to do -- or not just based on what the White Paper says but additional recommendations?

MR. GRACIE: Well, the process I envision, Dave, was that the department will get back to us and say, "Here is what we are going to do." Then we will get an opportunity to make recommendations in reaction to that.

MR. DAVID SMITH: Okay.

MR. GRACIE: That was the process that I was --

MR. DAVID SMITH: I just heard the recommendations from the White Paper. That is all.

MR. GRACIE: No.

MR. LUISI: Our focus is going to be on the nets; which nets are active, when they become active, when they are pulled, when they are not active anymore so that we can we can keep an almost live map of all the activity that is taking place.

MR. SIKORSKI: How about requiring them to call you before they pull them? That way you can try and limit the misuse of tags going on with pound nets and hook and line fishers.

MR. JETTON: Well, just the fact that you report them I would think that which nets are active I think would

have to be a help to NRP to know which licenses ---.

MR. LUISI: Yes. We coordinate that with NRP.

MR. JETTON: Yes. If they know which nets are active, I think that would be a big help and I am with you on that one.

MR. SIKORSKI: Yes. Hail in and hail out.

MR. LUISI: So, one of the pieces of information that is going to be challenging to try to gather, you know, in the future would be understanding what striped bass that are being interacted with because there is no accountability measure for somebody to report that to us.

There is nobody --there would be a whole other level of accountability that would need to get folded into the reporting requirement for them -- for us to say if you catch striped bass outside of the season, you need to tell us how many.

I just -- before we ask them to do that, we would have to determine how we would enforce that, which would be tough.

MR. JETTON: Yes. One more thing. Our striped bass logbooks have a place for released striped bass --

MR. GRACIE: Yes.

MR. JETTON: -- how many pounds and how many we catch.

MR. GRACIE: Let me control the meeting here. I am

trying to recognize Dave --

MR. JETTON: Okay.

MR. GRACIE: -- and I will come back to you Greg.

MR. JETTON: Okay.

MR. DAVID SMITH: Okay. Yes. So I think that is all good finding out who is doing it and all the activity associated with that and accountability but then also, we need to include the original issue here of the nets being in those rivers and the recommendations, not only by the DNR but the stakeholders on what to do there.

MR. GRACIE: What Tom has just told me that if anybody, including you, want to make recommendations about locations, as well --

MR. DAVID SMITH: Okay.

MR. GRACIE: -- then they will take them into account.

MR. DAVID SMITH: At the same time.

MR. GRACIE: Well, you can do that now if you want to. I mean -- or between now and at some point.

MR. DAVID SMITH: Okay.

MR. GRACIE: Just make it a matter of record so everybody knows what you asked for and then we will see how they respond to it. Greg, I am sorry.

MR. JETTON: I was just thinking. As far as -- I think it is a good idea to get a handle on what is being

released. I do not have a problem with that and I do not think they will either. I do not see why you can put that in there logbook -- estimated amount of rockfish released.

If fact, they would probably welcome that to some extent because we do it on charter boats. We write the number, estimated pounds and, you know, it goes on our logbooks.

MR. O'CONNELL: I think our concern is what is --

MR. JETTON: You do not want them handling the fish.

MR. O'CONNELL: -- what is the accountability measure. You know, there is a Pound Net White Paper Study that has come out. There is an interest being raised by sports fishermen to remove these nets from the spawning rivers, you know, are they going to report accurately knowing that if there is a high interaction --

MR. JETTON: I mean that is risk you take with any of us on anything you know?

MR. GRACIE: Well, except that there is a clear incentive to underreport here.

MR. JETTON: Sure there is.

MR. GRACIE: So, yes.

MR. JETTON: Sure there is.

MR. GRACIE: That would be an issue.

MR. JETTON: But if you do not -- you have got to do something short of doing nothing.

MR. O'CONNELL: It is a matter of do we want to invest the resources --

MR. JETTON: Yes.

MR. O'CONNELL: -- to have an accountability system or to do some sub-sampling ---.

MR. GRACIE: Well, you know, if you do some sub-sampling at least maybe -- so that you can find out if you have got a big problem after you --- so, you know, I am not sure. Was there somebody else that had comment or question here?

MR. : Well, I have got one Jim.

MR. GRACIE: No. I had somebody down here. I am sorry. Go ahead.

MR. WOMMACK: Are you making your recommendations for rivers to be sampled? Is that what you said? You want to put it on record? Because if that is the case, I would definitely like the Pocomoke River to be one of them.

MR. GRACIE: Sure.

MR. WOMMACK: Okay.

MR. GRACIE: Capture that Marty?

MR. GARY: Yes.

MR. GRACIE: That is a recommendation.

MR. O'CONNELL: Just for clarity, sample for what?

MR. WOMMACK: Well, when we say sample you can -- let's deal with all the species that is coming in there, you

know, from yellow perch to white perch to striped bass. How damaging is that into the river and how many, you know, are they catching.

How many are dying before they release them and I guess we can see things of that nature -- and how many nets are in there.

MR. GRACIE: Is that reasonable?

MR. O'CONNELL: Yes. I am just trying to make sure we all understand what the --

MR. GRACIE: Okay.

MS. : --- has her hand up.

MR. GRACIE: Sure.

MS. FEGLEY: I just want to relay to everyone that, you know, sampling is wonderful and we learn a lot from that but I just want to make sure that we all understand that any piece of fishing gear can be pretty dangerous to the fish if it is not handled appropriately.

So we can sample all of the well-tended and appropriately fished pound nets but any fishing gear that is not handled appropriately with just a pound net we are never going to know because we are not going to be sampling those -- that events that we hope are rare.

I just want everyone to know that sampling may not give you the answer ultimately you are looking for because we are still going to have somebody call us and say, "Somebody

did not fish their pound net for six days and there is dead fish everywhere."

MR. GRACIE: But that may very well be but we are going -- we are comparing that to having no information, Lynn, so I think everybody --

MS. FEGLEY: Okay.

MR. GRACIE: -- is in favor of getting some information.

MS. FEGLEY: Fair enough.

MR. GRACIE: Any other comments or questions from pound nets?

(No response.)

MR. GRACIE: Okay. Marty, can you review the action items to make sure we have got them all?

MR. GARY: I do not know if everyone can read but -- so maybe I will just review them. There are only a few here. So back to the one, Jim, you initiated. Chairman Gracie will work with Marty Gary to schedule a meeting with partnering sport fishing organizations to discuss participation at the Maryland Fishing Challenge Final Award Ceremony and the Maryland Seafood Festival weekend outreach opportunities.

They were separate and discrete. Does that capture your --

MR. GRACIE: Yes.

MR. GARY: From Val Lynch, "Provide the Commission

with end of year fiscal balance sheet for FY 2012," and then Tom offered up FY 2011 as well.

MR. GRACIE: Val, is that sufficient?

MR. LYNCH: Sure.

MR. GARY: This most recent one. "Give the Commission the opportunity to provide input and review any proposed actions that result from the outcome of the Pound Net White Paper" and there was an extra bullet in there, "Commissioner Wommack would like the Pocomoke River evaluated sampled." Is that clarity enough on that?

MR. GRACIE: Sure.

MR. GARY: Did I miss any?

(No response.)

MR. GRACIE: Okay. Thank you. I guess we are ready for public comments. Are there any other items that the Commission wanted to bring up before public comments?

(No response.)

MR. GRACIE: Who would like to make public comments? Can I have a show of hands?

(No response.)

MR. GRACIE: There being none, we will adjourn.

MR. : Thank you, Mr. Chairman.

MR. : Jim, we are finished.

(Whereupon the meeting was adjourned at 5:53 p.m.)